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FOREST SERVICE BUDGET FOR FY 2014

HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

TO

CONSIDER THE PRESIDENT'S PROPOSED BUDGET FOR FISCAL YEAR
2014 FOR THE FOREST SERVICE

APRIL 16, 2013



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FOREST SERVICE BUDGET FOR FY 2014

TUESDAY, APRIL 16, 2013

**U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
*Washington, DC.***

The committee met, pursuant to notice, at 10:04 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Ron Wyden, chairman, presiding.

OPENING STATEMENT OF HON. RON WYDEN, U.S. SENATOR FROM OREGON

The CHAIRMAN. Today the committee will consider the President's request for the Forest Service's fiscal year 2014 budget. The President's budget was released last Wednesday, April 10. This will be the first hearing in the Congress on the fiscal year 2014 budget.

I want to thank the Chief and his staff in particular for their being so responsive to get up here so quickly. I think it's understood that these are very difficult budget times, particularly given sequestration. The Chief knows I am particularly concerned about a number of the decisions made in this year's budget, particularly the staggering proposed reductions to the timber program.

I'm of the view that there is an extraordinary opportunity to get the harvest up in this country, particularly built around sensible environmental policies and the collaborative work, for example, that we're seeing in Eastern Oregon in Grant County on the Malheur Forest.

Today's budget, however, both in terms of the drastic decreases in the timber harvest that are proposed and the deep cuts to the hazardous fuels program with corresponding drops to the acres proposed to be treated, seems to me to be very counterproductive to the work the agency must accomplish. In my view, and the Chief and I have talked about this, I think it would be a huge blow to the cause of forest health. To me, healthier forests are going to equal a healthier economy.

Now, clearly, more is going to have to be done as we address this issue, particularly in terms of looking at all the benefits of our national forests. That's what multiple use is all about. Clearly at the county payments hearing that we held recently, we stressed the need to get the timber cut up.

This budget is not consistent with the agency's restoration agenda of harvesting 3 billion board feet a year. In fact, it proposes going in the opposite direction, reducing the harvest target by 420 million board feet for Fiscal Year 2014. My view is this will make

it tough to get the timber cut up, restore the forests, and set back the fight against wild fires.

So I am going to work closely with the agency and colleagues here to see if—as these difficult decisions are made—tradeoffs can be found to make sure that the critical programs get the funding that's necessary.

Let me mention the question of the Secure Rural Schools program that was written in this committee and also to the 3 reiterations of the committee that were written here. The sequestration issue is going to work a real hardship on this program. We are hearing that at home.

I just came off a big round of town hall meetings in Eastern Oregon. It came up consistently there. What the concern is with respect to this morning is the Forest Service sent letters to the Governors about the impact of sequestration on the payments made under the legislation. In the letters, the Forest Service requested that the States send back 5.1 percent of Title I and Title III funds that was distributed earlier this year.

The Forest Service also gave States the option to have this absorbed from Title II funding, the funding that supports the important work of the Resource Advisory Committees. I think it's understood for those who follow this committee that we consider these Resource Advisory Committees really part of the bright light in terms of forestry policy, particularly because it cements the collaborative work that is really the prerequisite to permanent progress.

So what we've got with these cuts from sequestration is communities that are already on the edge of bankruptcy, desperate to do more work in the woods. Get people back to work in the woods. Get the forest harvest up. What they want is some predictability from the Federal Government.

In response, the Forest Service has said not only will less timber be cut, but money needs to be given back. So I'm deeply concerned about the impacts these cuts are going to have on rural communities.

What I heard last week, especially, and this came up at virtually every town hall meeting, were people saying what about the fact that the Forest Service and the Department of the Interior cannot even agree on the approach they're going to take. That seems odd, even by Washington, DC, standards. So we're going to have to inquire into that.

Now I want to express my appreciation to the Administration for saying that Secure Rural Schools should be in the budget. That is certainly constructive. But we understand that we have to have the budget details in order to have a more thoughtful discussion about it.

Let me talk briefly about wild land fire funding. Last year the country experienced a severe fire season with devastating impacts of wild land fire affecting numerous committees. It's something Senator Udall of Colorado cares a great deal about.

As we know past emergency borrowing from discretionary accounts in Congress? rescissions from fire fighting accounts has left the Forest Service, once again, at risk of running out of fire fighting funds in the coming season. We are getting a sense that the coming season could be a record one. When there isn't enough

money for fighting fires, every other program in the agency's budget suffers at a time, as I've indicated, when they are already taking a big hit.

On the wild land fire issue, as well, I'd like to note my ongoing disappointment with the level of funding in the budget for hazardous fuels treatment and the alarm at the level of cuts reflected in this budget. The Healthy Forest Restoration Act authorized \$760 million annually for hazardous fuels and the Administration does not come close to that level in its request. This budget proposes an extraordinarily large cut, cutting this line item by more than 30 percent.

Year after year this work has been underfunded. It's absolutely key to reduce the severity of forest fires. Again, the budget is moving in the wrong direction.

The result will once again be larger wild fires. Undoubtedly it will cost more to fight fires in the long run. Recent studies have confirmed that hazardous fuels treatments done in the right places lead to substantial reductions in both wild fire size and suppression cost. Once again, being penny wise and pound foolish takes its toll.

We intend to explore these issues in more depth. Let me close with just a couple of last points.

Many of us in this committee support full funding for the Collaborative Forest Landscape Restoration Program. I was an original co-sponsor of this program. It has been tremendously successful in our State. I'm glad to see the strong commitment made to restoration among a number of the line items in the budget.

I'm also pleased to see that this year's budget request includes funding for new air tankers. Senator Murkowski and I have been very interested in this over the years. Chief, we have discussed the fleet of air tankers used for fire fighting continues to approach the end of its life span.

It's my understanding that the Forest Service expects to make an announcement later this month regarding next generation air tanker contracts. That is good news to the committee. We continue to remain concerned about whether the agency is going to have enough planes to fight fire this summer.

Finally, I'm pleased that the agency has included legislative proposals to support a number of important priorities including support for permanent reauthorization of the stewardship contracting program.

With that, let me yield to my friend and colleague, Senator Murkowski for any statement she would like to make.

**STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR
FROM ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman and good morning.

Welcome, Chief. Good to see you here.

The Forest Service manages some 22 million acres of national forest lands in the Southeastern and South Central part of Alaska. That's more acres than the entire 52 national forests that are located in the Eastern and the Southern United States. The Tongass National Forest is 80 percent of the land base in Southeast. So to say that the management vision and the decisions made by the

Forest Service have an effect on the health of Alaskan communities is truly an understatement.

Chief, you and I have had plenty of opportunity to sit and visit. I know that you know the significance of the Tongass and how management of the Tongass impacts our Southeastern communities. Right now our communities, particularly in Southeast, are not healthy. In fact, they are on economic life support.

I am concerned, Chief, that the vision that the Administration offers in this budget proposal for forest management looks more like one that I would expect to be proposed by the National Park Service than by a multiple use agency with vast timber resources. Management under this proposed budget is focused on tourism and recreation and ecosystem values, such as wildlife habitat. I agree, I agree, that these are important. But I have to remind you that the fundamental tenant of multiple use also includes the development of our natural resources. In Southeast Alaska, and I know in many rural communities across the West and Oregon, harvesting timber is still the economic life blood.

I look forward to you giving us some assessment here as to how this budget will help us to continue to develop our natural resources and the jobs that are needed to produce them. I'm looking forward to your comments this morning, in particular responses to questions because your written testimony doesn't really speak to timber harvest. It does speak to the other uses. But again, when we talk about multiple use, it does include and most certainly includes the management of our resources.

Now on the issue of timber production this budget proposal seems to disregard the very commitment that you made to get the cut up, was the term that you used with Senator Wyden and me, just a couple weeks ago when you testified before this committee on Secure Rural Schools. At that hearing you reiterated that the Forest Service would stay focused on meeting the 3 billion board foot timber target set for FY14. You then said that you recognize the importance of increasing timber harvest levels to rural communities.

This budget proposal instead proposes a timber target for FY14 of 2.38 billion board feet. This is a 15 percent reduction from FY13 of 2.8 billion board feet. In terms of timber funding, I'm not even sure what that corresponds to as I see that you have again proposed to change the budget structure to consolidate 6 key budget line items into one entitled the integrated resource restoration line item. The IRR, as we've had a discussion in previous sessions here, the IRR makes it more difficult to figure out how and where funding is spent. So perhaps you can tell me this morning what those numbers are.

Next, the Forest Service estimates that there are 82 million acres of the National Forest system in need of fuel treatments but proposes to again, substantially cut funding for the hazardous fuels program, as the Chairman has noted. Your proposed cut is 37 percent, its lowest level in the last 5 years. This is significantly below the authorized level of \$760 million contained in the bipartisan Healthy Forest Restoration Act.

So, Chief, I do hope that you can explain to us exactly what's going on here. I understand that budgets are tight. We all know that. We recognize that.

I would suggest that instead of proposing to increase funding for programs like land acquisition in the budget proposal that the Forest Service should fund its core priorities. The Forest Service has its hands fully managing what it currently owns. I think the last thing that the service needs right now is more land to manage. You're simply not able to manage what it is that you have. So asking for more budget dollars to purchase more that you can't manage makes no sense.

Managing wild fire—wild land fire accounts for nearly 43 percent of the budget proposal. How the Forest Service configures its fire fighting aircraft assets and the modernization of the aging tanker fleet is something that we're all following closely within the committee. Although there are proposed increases in this budget for modernizing, no further details are provided as to how that funding would be spent.

I do understand that the Forest Service has awarded some legacy air tanker contracts but not the next generation large air tanker contracts. I do hope that you'll be able to share with us this morning, today, the agency's plans for modernization and the timeliness for moving forward.

Now I will also make a similar comment to what Chairman Wyden has mentioned with regards to the Secure Rural Schools and the way that the Forest Service handled the sequestration. For months the Forest Service was aware of the pending automatic spending reductions that would occur under sequestration. Yet it appears that the Forest Service did nothing to inform or prepare States, the counties or the boroughs, for the possibility that this program would see reductions.

I hope that you can speak to that. I'm sure that you will. But more importantly what the status is and how we move forward.

Mr. Chairman, of course, I will have a number of questions after we hear from the Chief. But again, very important discussion this morning as it relates to our forests.

The CHAIRMAN. Thank you, Senator Murkowski. I think the committee is aware that you and I are very much in agreement on these kinds of issues.

We have got to get the harvest up. We know we can do it in compliance with environmental rules. I think this is an area we heard about when I was up in Alaska where this committee can find common ground. I very much appreciate your statement.

Chief Tidwell, welcome. Let's go to your prepared remarks and then you can have some questions.

**STATEMENT OF TOM TIDWELL, CHIEF, FOREST SERVICE,
DEPARTMENT OF AGRICULTURE**

Mr. TIDWELL. OK. Mr. Chairman, Ranking Member Murkowski, Senator Barrasso, Senator Johnson, thank you for giving me this opportunity to discuss the President's 2014 budget request for the Forest Service. I appreciate the support that this committee has given the Forest Service over the years. I look forward to con-

tinuing to work with you to be able to deliver, what I believe, is what Americans want from their National Forests.

Now the President's budget request reflects our commitment to strategic investments that are needed to grow the economy while exercising fiscal restraint. The budget makes some very difficult tradeoffs between programs while focusing on, where I believe, we can make that economic growth, especially in rural America which includes supporting 450,000 jobs that come from the activities off of National Forests and Grasslands.

Now I know you're going to have some concerns about the amounts on some of our individual budget line items. But overall, I believe this budget request is a good investment, especially when you look at 3 key objectives.

The first is to get back on track with our accelerated restoration strategy to be able to get back and move forward to be able to treat more of that 65 to 83 million acres that need restoration and especially with the over 12 million that need timber harvest to be able to restore those lands. We're going to do this through increasing capacity through our requests for full funding for the Collaborative Forest Landscape Restoration Fund, through requesting permanent authorization for stewardship contracting, to be able to not only restore those lands, but to provide certainty to private—so private investment can occur to be able to expand the wood products industry.

We want to continue to use landscape scale EISs like the Four Fry in Arizona to address between 750 and a million acres with one EIS or to do the adaptive EIS that we've done on the Black Hills where we did one EIS to address 248,000 acres that allow us to be able to go in there and address wherever the next insect and disease outbreak occurs without any additional analysis.

We also want to expand and create new markets. That's why we're asking for an additional \$13 million in our research funds that's dedicated to increasing markets for wood. It's to build on USDA's green building initiative, our wood energy program and also to continue our research and nano technology.

The second key part of our budget deals with funding for fire suppression. This budget includes a level of preparedness that will allow us to continue our 98 percent success rate when we're taking initial attack. It also requests the 10 year average for suppression which includes \$134 million increase from what we needed in FY'12 to be able to meet the agreement of the 10-year average. So \$134 million had to come from other programs to be able to meet the 10-year average.

It also does address the threat to wild fire in homes and communities by reducing hazardous fuels on 685,000 acres. Yes, we have reduced our request there. But we're focusing those funds on the wild land urban interface.

We're also requesting an additional \$50 million to help modernize our large air tanker fleet.

Now the third key objective is to work through the America's Great Outdoors Initiative to support community based conservation, help Americans reconnect to the outdoors and provide opportunities for economic expansion to retain and create jobs. We're going to do this by supporting the recreational opportunities that

not only add the quality to our lives, but it supports our communities through 205,000 jobs. We want to help Americans reconnect with the outdoors through increase in our youth employment authorities.

We also request an increase in LWCF funding that reflects the need for conservation easements and land acquisition to protect critical forests and to acquire public access to make sure that the public can continue to enjoy their national forests.

It also reduces Administrative costs. Any time we can eliminate an in holding on our national forests it reduces the cost when it comes to boundary management. Also gives us more flexibility to do the restoration work that needs to occur on these lands.

We also want to encourage the biomass utilization and other renewable energy opportunities while working on our processes to issue oil and gas permit applications—to process oil and gas permit applications in our energy transmission proposals.

We're also going to continue our focus on our operational efficiencies. Between FY13 and FY14 we're going to cut \$100 million from our fixed costs by doing a better job with strategic acquisition and reducing thus our overall, overhead costs.

We want to continue to offset budget reductions by gaining efficiencies like with our NEPA and sell preparation with timber sales. Since 1998 funding has been reduced by \$185 million when adjusted to inflation. Staff has been reduced by 49 percent. But during the same time we've had to reduce our unit costs for a million board—by a thousand board feet by 23 percent. We want to be able to continue to do that work.

Then the last part of our efficiencies is to continue the work we're doing to use science, our experience and expertise to reduce the actions that are ineffective when it comes to fire suppression. Because of that last year, even though with a record fire season, we reduced our costs by \$377 million because of the techniques that we're using today, the science that we're using today.

Our goal is to increase our collaborative efforts to encourage greater public involvement in the management of the national forests and grasslands. We need to maintain and restore healthy landscapes. We need to take care of the ecosystem. But we also need to support healthy, thriving communities and provide jobs in rural America.

Again, thank you for the opportunity. I look forward to your questions.

PREPARED STATEMENT OF TOM TIDWELL, CHIEF, FOREST SERVICE, DEPARTMENT OF
AGRICULTURE

Mr. Chairman and Members of the Committee, thank you for inviting me here today to testify on the President's Budget request for the Forest Service for Fiscal Year (FY) 2014. I appreciate the support this subcommittee has shown for the Forest Service in the past, and I look forward to continuing to work together with Members of the Committee to ensure that stewardship of our Nation's forests and grasslands continues to meet the desires and expectations of the American people. I am confident that this budget will allow the Forest Service to meet this goal while demonstrating both fiscal restraint and efficient, cost-effective spending.

Our Nation can and should take steps to make Government more effective and more efficient in the 21st century. The FY 2014 budget that the President is proposing reflects the difficult choices we need to make to reduce spending while investing in long-term economic growth and job creation. To make the strategic invest-

ments needed to grow the economy while exercising fiscal restraint, this budget makes difficult tradeoffs between programs. It also reflects efficiency and improvements to reduce our administrative costs. It is designed to appropriately fund many of the programs that matter to Americans.

Value of the Forest Service

Our mission at the Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations. The mission includes helping Americans use and enjoy the lands and waters that belong to them as citizens of the United States. The Forest Service manages a system of national forests and grasslands on an area almost twice the size of California—193 million acres in 44 States and Puerto Rico. These lands entrusted to our care provide some of the richest resources and most breathtaking scenery in the Nation, as well as drinking water for millions of Americans.

As the Nation's leading forestry organization, we also serve Americans in other ways. The Forest Service was founded in 1905 to stop the degradation of watersheds and manage the lands for the benefit of all Americans. To that end, in addition to the National Forest System, agency programs support the sustainable stewardship of more than 600 million acres of forest land across the Nation, including 423 million acres of private forest land, 68 million acres of State forest land, 18 million acres of Tribal forests, and 100 million acres of urban and community forests.

In addition, we maintain the largest forestry research organization in the world, with more than a century of discoveries in such areas as wood and forest products, fire behavior and management, and sustainable forest management. In an age of global interconnectedness, we also support the sustainable stewardship of forests around the world; we have served people in more than 80 countries, which have direct benefits to the American forestry economy through marketing American forest products and invasive species prevention.

America's forests, grasslands, and other open spaces are integral to the social, ecological, and economic well-being of the Nation. The benefits from Forest Service programs and activities include jobs and economic activity, especially in rural areas where other sources of employment and economic growth might be few. In FY 2011, for example, the various activities on the National Forest System contributed over \$36 billion to America's gross domestic product, supporting nearly 450,000 jobs.

The most popular uses of the national forests and grasslands are associated with outdoor recreation. Our increasingly diverse visitor population engages in activities such as camping, picnicking, snowmobiling, cross-country skiing, equestrian use, firewood and forest product gathering, all-terrain vehicle riding, skiing, snowboarding, hunting, fishing, hiking, wildlife viewing, driving for pleasure, and visiting cultural sites and visitor centers. The national forests and grasslands attract about 166 million visits per year, supporting about 205,000 jobs and contributing \$13.6 billion to the Nation's gross domestic product each year. Fifty-five percent of our visitors engage in a strenuous physical activity, contributing to their health and well-being.

Noncommercial uses of forest and grasslands also provide vital benefits to the American people. For example, more than half of our Nation's freshwater flows from public and private forest land, and about 60 million Americans rely on drinking water that originates on the National Forest System. Forest Service land management, combined with Forest Service assistance to private landowners, helps protect the single greatest source of drinking water in the Nation.

The Forest Service's creation of jobs and economic opportunities is not limited to rural areas. Through Job Corps and other programs, we provide training and employment for America's urban youth, and we help veterans transition to civilian life. Our Urban and Community Forestry Program has also provided jobs and career-training opportunities for underemployed adults and at-risk youth through activities such as tree care and riparian corridor restoration.

We also engage a wide range of partners who contribute to investments in land management projects and activities. In FY 2012, we entered into more than 7,700 grants and agreements with partners who contributed a total of about \$535 million in cash and non-cash (in-kind) contributions. Combined with our own contribution of nearly \$779 million, the total value of these partnerships was over \$1.3 billion. The growing value of grants and agreements demonstrates the increasing importance of partnerships in fulfilling the Forest Service mission.

Forest landowners of all kinds benefit from our forest-related research, as does anyone who buys products made from wood. For example, Forest Service scientists have developed a free software application that helps people identify invasive plants and provides control recommendations. Our research and development bring all kinds of benefits to the American people, improving their quality of life.

More than 50 percent of the Nation's forests—over 420 million acres—are privately owned. Working with the State Foresters, we help State forest managers and private forest landowners manage America's working forests sustainably. Through our Forest Health Management program, for example, we monitor and assess forest health conditions on all lands nationwide, both public and private, tracking outbreaks of insects and disease and providing funds for treating areas at risk.

In February 2011, President Barack Obama launched the America's Great Outdoors Initiative, setting forth a comprehensive agenda for conservation and outdoor recreation in the 21st century. The initiative challenges the American people to work together to find lasting conservation solutions, based on the premise that protecting America's natural heritage is a goal shared by all. In tandem with the President's initiative, Secretary of Agriculture Tom Vilsack outlined an all-lands vision for conservation. He called for partnerships and collaboration to reach shared goals for restoring healthy, resilient forested landscapes across all landownerships nationwide.

Our FY 2014 budget request is accordingly designed to help us work with partners across borders and boundaries to invest in America's green infrastructure at a landscape scale. Our focus on landscape-scale conservation dovetails with broader Administration priorities, including the President's America's Great Outdoors initiative, the Secretary's "all-lands" vision, and the Department of Agriculture's priority goal of enhancing water resources. Our goal at the Forest Service is to ensure the ability of our Nation's forests and grasslands to deliver a full range of jobs and benefits, both now and for generations to come.

Challenges to Conservation

Our Nation's ability to protect its forest and grassland resources is now at risk due to drought, invasive species, and uncharacteristically severe wildfires and outbreaks of insects and diseases. Such stresses and disturbances are affecting America's forests, grasslands, and watersheds on an unprecedented scale. Twenty-seven percent of all forest-associated plants and animals in the United States, a total of 4,005 species, are at risk of extinction. Habitat degradation is the main reason-affecting 85 percent of all imperiled species. Many species are also threatened by non-native invasive species, which affect 49 percent of all imperiled species.

Although biodiversity is exceptionally high on the national forests and grasslands, habitat degradation and invasive species remain serious threats. We estimate that watershed functionality is impaired or at risk on 48 percent of the watersheds on National Forest System lands. Severe outbreaks of western forest pests have affected 32 million acres on the national forests alone. Between 65 and 82 million acres are in need of fuels and forest health treatments—up to 42 percent of the entire National Forest System.

Part of the problem is severe drought, resulting in extreme fire weather, very large fires and longer fire seasons. Since 2000, at least 10 States have had their largest fires on record, and some have had their records broken more than once. In 2000, for the first time since the 1950s, more than seven million acres burned nationwide; and in 2012, more than nine million acres burned.

The spread of homes and communities into areas prone to wildfire is an increasing management challenge. From 2000 to 2030, we expect to see substantial increases in housing density on 44 million acres of private forest land nationwide, an area larger than North and South Carolina combined. More than 70,000 communities are now at risk from wildfire, and less than 15,000 have a community wildfire protection plan or an equivalent plan.

A growing proportion of the Forest Service budget has been needed for fire-related activities of all kinds. In FY 1991, for example, fire-related activities accounted for about 13 percent of our total budget; by FY 2012, it was 40 percent. That has left a smaller amount of funding for nonfire purposes (watersheds, wildlife, recreation, and other benefits and services). With increasingly limited funding, we need to approach our work differently.

Budget Request and Focus Areas

The FY 2014 President's Budget request is designed to meet the challenges we face. The President's proposed overall budget for discretionary funding for the Forest Service in FY 2014 is \$4.9 billion. It shifts \$62 million from key programs to meet the requirement to fund the 10-year rolling average of fire suppression costs.

In response to the challenges we face, we are focusing our efforts on three key areas: restoring ecosystems; strengthening communities while providing jobs; and managing wildland fires. In these tough economic times, our proposed budget balances spending on priorities in each of these three focus areas against measures to decrease costs. Through strategic partnerships, we will continue to leverage our

funds to accomplish more work, yielding more benefits for the people we serve while also sustaining forest and grassland ecosystems for future generations.

Restoring Ecosystems

Our approach to ecological degradation is to accelerate ecological restoration. The Forest Service is restoring the ability of forest and grassland ecosystems to resist climate-related stresses, recover from climate-related disturbances, and continue to deliver the values and benefits that Americans want and need. Reforestation, habitat enhancements, invasive species control, hazardous fuels treatments, and other measures can help to make an ecosystem more resilient and more capable of delivering benefits, such as protecting water supplies and supporting native fish and wildlife. Our budget request for FY 2014 is specifically designed to support integrated restoration efforts across the Forest Service.

Through Integrated Resource Restoration, land managers are accelerating the pace of restoration and job creation, in part by using the Forest Service's Watershed Condition Framework to identify high-priority watersheds for treatment. Managers use Integrated Resource Restoration to integrate activities such as hazardous fuels reduction, road decommissioning, and removal of barriers to fish passage. Outcomes include reducing risk from fire, insects, and diseases; maintaining clean drinking water for communities; and supporting more local jobs and economic opportunities. For example, in FY 2012 through our overall efforts we treated almost 2.6 million acres to sustain or restore watershed function and resilience. Under the pilot program, through restoration activities we treated almost 800,000 acres. We propose fully implementing Integrated Resource Restoration across the Forest Service in FY 2014.

The growing need for restoration-related work and investments on the National Forest System is providing jobs and community benefits. The Collaborative Forest Landscape Restoration Program was created in 2009 to restore high-priority forested landscapes, improve forest health, promote job stability, create a reliable wood supply, and reduce firefighting costs across the United States. After the program was created, the Secretary of Agriculture evaluated collaboratively developed project proposals, selecting 20 large-scale projects for 10-year funding, along with three additional high-priority projects for funding from other sources. They support an array of restoration activities, including reducing hazardous fuels, restoring watershed function and resilience, and improving forest vegetation and wildlife habitat. Continued implementation of these projects is a high priority in our FY 2014 budget request. For example, the 23 projects under this program have created or maintained approximately 7,500 jobs over the last two years and generated almost \$272 million in labor income. They have also reduced the danger of fire on more than 600,000 acres near communities and enhanced clean water supplies by remediating or decommissioning 6,000 miles of roads.

The Forest Service is creating partnerships across the country to help protect water by reducing the risk of fire in municipal watersheds that provide communities with water for drinking and other uses, such as irrigation, fisheries, and recreation. To help leverage our funding, we are proposing a new program for Restoration Partnerships in FY 2014. The program will foster some of the most advanced public-private partnership initiatives in the Federal government, leveraging new outside resources to support the Forest Service's restoration efforts. Most funding under the new program will go to support cost-share projects that will be competed for at the national level to attract matching financial support from partners.

Another Forest Service program with a restoration emphasis is Forest Health Management. Under the program, we conduct risk mapping and surveys to identify the areas at greatest risk from insects and disease, including invasive species such as emerald ash borer and white pine blister rust. In identifying the areas at greatest risk and deciding on how to respond, we work with the States, in part by utilizing the State Forest Action Plans to help inform response decisions.

The Forest Service is finalizing directives for implementing the new National Forest System Land Management Planning Rule governing how land management plans are written for the national forests and grasslands. Half of all units on the National Forest System have plans that are more than 15 years old. Successful forest plan revisions are key to meeting the Forest Service's contemporary land management challenges. The new 2012 Planning Rule will help land managers focus on collaborative watershed restoration while promoting jobs and economic opportunities in rural communities.

In concert with the President's America's Great Outdoors Initiative and Secretary Vilsack's all-lands vision for conservation, the Forest Service has launched an initiative to accelerate restoration across shared landscapes. The Accelerated Restoration Initiative builds on Integrated Resource Restoration, the Collaborative Forest Land-

scape Restoration Program, the Watershed Condition Framework, the 2012 Planning Rule, and other restoration-related programs and initiatives to increase the pace of ecological restoration while creating more jobs in rural communities.

The Forest Service is supporting accelerated restoration through our programs in Research and Development. We have seven high-priority research areas, including Watershed Management and Restoration, which is designed to support our focus on protecting and enhancing water resources. In our Bioenergy and Biobased Products research area, we are developing technology to sustainably produce woody biomass and convert it into liquid fuels, chemicals, and other high-value products. In partnership with the wood products industry, we are also developing science to commercialize nanocellulosic technologies to generate new high-value products such as durable composites and paper that is stronger and lighter. This will revolutionize technology to create new jobs and revenues and help restore America's economy through industrial development and expansion.

We are also pursuing longer term strategic research. For example, sustainable forest management is predicated on decades of data on forest conditions collected through our Forest Inventory and Analysis program. We conduct long-term research in such areas as forest disturbances, the effects of climate change, fire and fuels, invasive species, wildlife and fish, and resource management and use to meet local needs. In all of our research, we are committed to delivering new knowledge and technologies to support sustainable forest and grassland management.

Strengthening Communities and Providing Jobs

Our FY 2014 budget request emphasizes the role that communities play in sustaining the forests and grasslands around them and the benefits they provide. Working with State and local partners, we are focusing on landscape-scale outcomes through cross-boundary actions including forestry projects identified through the State forest Action Plans. Accordingly, we propose building on our State and Private Forestry Deputy Area Redesign initiative through a new program called Landscape Scale Restoration. Our new program will capitalize on the State Forest Action Plans to target the forested areas most in need of restoration treatments while leveraging partner funds.

We also work with the States through our Forest Legacy Program to identify forests critical for wildlife habitat and rural jobs. Through the program, we provide working forests with permanent protection by purchasing conservation easements from willing private landowners.

In a similar vein, and supporting the President's America's Great Outdoors initiative, our Land Acquisition program is designed to protect critical ecosystems and prevent habitat fragmentation by acquiring inholdings on the National Forest System and other lands where we can improve public access. We are working in collaboration with the Department of the Interior to leverage our joint investments by coordinating our efforts to protect intact, functioning ecosystems across entire landscapes. We propose transferring \$177 million in discretionary and mandatory funding from the Land and Water Conservation Fund to support these goals.

The Forest Service also engages urban communities in protecting and restoring America's 100 million acres of urban and community forests. For example, we are working with 10 other Federal agencies in the Urban Waters Federal Partnership, designed to restore watersheds in urban areas. Through our Urban and Community Forestry program, we are benefiting communities by helping them to plant trees, especially through demonstration projects. Through our Conservation Education programs, we are engaging millions of children and their families in outdoor experiences.

In addition, we are helping communities acquire local landscapes for public recreation and watershed benefits through our Community Forestry and Open Space program. Our goal is to help create a Nation of citizen stewards committed to restoring the forests around them to health.

Our community focus supports the President's America's Great Outdoors initiative to achieve landscape-scale restoration objectives, connect more people to the outdoors, and support opportunities for outdoor recreation while providing jobs and income for rural communities. Building on existing partnerships, establishing a 21st century Conservation Corps will help us to increase the number of work and training opportunities for young people and veterans through high-priority conservation and restoration work on public lands. To engage communities in conserving the lands around them, the Forest Service is building public-private partnerships that leverage new resources to support the Forest Service's restoration goals. Our new Restoration Partnerships program features national competitive grants to support local restoration projects, with matching funds from partners.

We are also building public-private partnerships through our Sustainable Recreation Framework. Many economic opportunities and other community benefits generated on the national forests and grasslands are associated with outdoor recreation. Through the Sustainable Recreation Framework, we are engaging communities to protect and increase recreational access as well as jobs, benefits, and opportunities associated with outdoor recreation.

Our associated Trails program designates trails for multiple uses, consistent with our travel management rule, while building partnerships in trail stewardship. Our Roads program is designed to maintain forest roads and bridges to protect public safety and water quality while meeting access needs for both resource stewardship and the recreating public. Our Facilities program promotes the safe and energy-efficient use of agency infrastructure while emphasizing cost-effectiveness and a smaller environmental footprint through the use of green building techniques and materials.

Managing Wildland Fires

Our restoration efforts are partly in response to growing fire season severity, one of the greatest challenges facing the Forest Service. We continue to suppress in initial attack at very small sizes up to 98 percent of the fires we fight. However, the few fires that escape initial attack tend to get much larger much faster. Extreme fire behavior has become far more common. Firefighters are largely limited to protecting certain points around homes and communities.

In 2009, Congress passed the Federal Land Assistance, Management, and Enhancement (FLAME) Act, calling on Federal land managers to develop a joint wildland fire management strategy. Working with the Department of the Interior, the Forest Service took the opportunity to involve the entire wildland fire community in developing a joint long-term National Cohesive Wildland Fire Management Strategy.

This strategy is the product of a collaborative effort between wildland fire organizations, land managers, and policy making officials representing Federal, State and local governments, Tribal interests, and nongovernmental organizations that builds on the successes of the National Fire Plan and other foundational documents. Phase I was completed in 2011 and outlines the national strategy to address wildland fire issues across the Nation. Phase II was completed in 2012 and provides a risk based framework for evaluating local, regional, and national alternatives for wildfire response and preparedness at a mix of different temporal and geographic scales.

Our new strategy has three components:

1. Restoring fire-adapted ecosystems.—More than a thousand postfire assessments show that fuels and forest health treatments are effective in reducing wildfire severity. Accordingly, our fuels treatments have grown; from 2001 to 2011, the Forest Service treated about 27.6 million acres, an area larger than Virginia. We focus our treatments on high-priority areas in the wildland/urban interface, particularly near communities that are taking steps to become safer from wildfire, such as adopting the national Firewise program or developing community wildfire protection plans.

2. Building fire-adapted human communities.—With more than 70,000 communities at risk from wildfire, the Forest Service is working through cross-jurisdictional partnerships to help communities become safer from wildfires, for example by developing community wildfire protection plans. Through the Firewise program, the number of designated Firewise communities—communities able to survive a wildfire without outside intervention—rose from 400 in 2008 to more than 700 in 2012.

3. Responding appropriately to wildfire.—Most of America's landscapes are adapted to fire; wildland fire plays a natural and beneficial role in many forest types. Where suppression is needed to protect homes and property, we focus on deploying the right resources in the right place at the right time. Using decision support tools, fire managers are making risk-based assessments to decide when and where to suppress a fire—and when and where to use fire to achieve management goals for long-term ecosystem health and resilience.

Hazardous fuels reduction is an important part of protecting communities and infrastructure in the wildland/urban interface, and the materials removed can often be utilized as biofuels. Our Hazardous Fuels program therefore supports grants and other forms of assistance for wood-to-energy initiatives. We fund business plans and feasibility studies that help make a project more competitive for other sources of funding; we provide technical assistance to support project development or improve air quality, and we help develop financially viable approaches for building and sustaining facilities that convert wood to energy.

In FY 2014, the Forest Service will work with municipal water providers and electrical service utilities to leverage our funds for fuels and forest health treatments. For example, our new Restoration Partnerships program will support public-private partnerships for investing in projects to protect water supplies on the Colorado Front Range and elsewhere. Our Hazardous Fuels program complements activities conducted through Integrated Resource Restoration and the Collaborative Forest Landscape Restoration Program to reduce fuels, protect communities, and restore forested landscapes. Contracted services for fuels reduction provides jobs, as do the forest products and woody biomass utilization activities that result from fuels reduction and removal.

Our budget request for FY 2014, taking the Suppression and FLAME line items together, fully covers the 10-year rolling average of annual amounts spent on suppression. Taken together with the Preparedness line item, our budget request reflects our emphasis on assessing strategic risks and improving operational decision-making for responding to wildland fires, including using fire, where appropriate, for resource benefits. Our efforts are expected to result in more effective and efficient use of Forest Service resources as well as the resources of our partners.

Airtankers are a critical part of an appropriate response to wildfire, but the Forest Service's fleet of large airtankers is old, with an average age of more than 50 years. The cost of maintaining them is growing, as are the risks associated with using them. The Forest Service is implementing a Large Airtanker Modernization Strategy to replace our aging fleet with next-generation airtankers. Our FY 2014 budget request includes \$50 million to pay for the increased costs of modernizing the firefighting airtanker fleet. This is in addition to the \$24 million requested in the FY 2013 budget for a total of \$74 million proposed over the last two years to further enhance the agency's ability to fight wildland fire.

Cost Savings

Since 2011, the Forest Service has conducted more than a thousand postfire assessments in areas where wildfires burned into previously treated sites. In 94 percent of the cases, our fuels and forest health treatments were determined to have changed fire behavior and/or helped firefighters control the fire.

The Forest Service is also taking steps in other areas to cut our operating costs. For example:

- Taking advantage of new technologies, we have streamlined and centralized our financial, information technology, and human resources operations to gain efficiencies and reduce costs. We will continue to work together with other USDA agencies under the Blueprint for Stronger Services to develop strategies for key business areas to provide efficiencies.
- For the same reasons, we have integrated work across our deputy areas for National Forest System, State and Private Forestry, and Research and Development. For example, all three deputy areas have collaborated to develop the Southern Forest Futures project—the first comprehensive analysis of the future of Southern forests over the next 50 years.
- In FY 2012, we began implementing a new Planning Rule that will reduce the length of time it takes to revise management plans, saving costs. We are also saving costs by streamlining our environmental review process under the National Environmental Policy Act.
- We are implementing measures to achieve \$100 million in cost pool savings in FY 2013 and FY 2014 combined.
- We have adopted new public-private partnership strategies for leveraging restoration funding. For example, over 10 years the Collaborative Forest Landscape Restoration Program is expected to leverage \$152.3 million in partner funding, about 62 cents for every Federal dollar spent.
- We also signed an agreement to use municipal funds to restore fire-damaged national forest land in the municipal watershed of Denver, Colorado. Over five years, Denver Water is matching the Forest Service's own \$16.5 million investment in watershed restoration. We have signed similar agreements with Santa Fe, New Mexico, and with other cities on the Front Range in Colorado, including Aurora and Colorado Springs.
- We are proposing a number of changes in our budget line items for FY 2014 to better integrate accomplishments, to increase efficiencies in administration, and to make our program delivery more transparent. For example, combining the State and Volunteer Fire Assistance programs under Wildland Fire Management will improve program management, reduce administrative complexity, and will assist with improved performance management.

- In accordance with sustainability and efficiency mandates, we are working to reduce our environmental footprint. We are acquiring more energy-efficient vehicles and using the latest technologies to reduce our greenhouse gas emissions and cut our electricity and natural gas costs at facilities.

Future Outlook

Our budget request focuses accordingly on America's highest priorities for restoring ecosystems, strengthening communities and providing jobs, and managing wildland fire. We are developing a kind of land and resource management that efficiently and effectively addresses the growing extent and magnitude of the challenges we face, as well as the mix of values and benefits that Americans expect from their forests and grasslands. We will continue to lead the way in improving our administrative operations for greater efficiency and effectiveness in mission delivery. Our research will continue to solve complex problems by creating innovative science and technology for the protection, sustainable management, and use of all forests, both public and private, for the benefit of the American people. Moreover, we are working ever more effectively to optimize our response to cross-cutting issues by integrating our programs and activities.

The key to future success is to work through partnerships and collaboration. Our budget priorities highlight the need to strengthen service through cooperation, collaboration, and public-private partnerships that leverage our investments to reach shared goals. Through this approach, we can accomplish more work while also providing more benefits for all Americans, for the sake of generations to come. This concludes my testimony, Mr. Chairman. I would be happy to answer any questions that you or the Committee Members have for me.

The CHAIRMAN. Chief, thank you. We're very much aware that you are not the only one involved in preparing these budgets. Sometimes I always think we ought to bring OMB up here too and we can rage away at them as well because I think you can tell there is bipartisan concern up here.

Let me ask you about a question that I think is central to this debate about getting the harvest up in America. Last week I was in John Day, Oregon in Grant County, where they have put together a collaborative for the national forest there, the Malheur National Forest. Part of this debate, and I gather you were a part of it a couple of weeks ago in the House, is a debate about what is most likely to produce an increase in the harvest in a sustained way.

Is it going to be a collaborative approach, the way they're doing it in John Day? We've been very involved in the work in setting it up. Or is it more likely that the harvest will get up in a sustained way by, in effect, taking Federal lands and putting them in private ownership? As you know there's talk about a reserve or something to that nature.

Which of those 2 approaches, in your view, is more likely to get the harvest up in a sustained way?

Mr. TIDWELL. The collaborative approach. I think the record supports that. We've spent a lot of years in this country having the dialog, the debate, about how a national forest should be managed.

Finally in the last few years we've been able to use collaborative, collaboration, in a way to bring people together that's actually increased the amount of work, the restoration, the timber harvest on our national forests. That's why I put out the accelerated restoration strategy last year, to be able to show that even with basically a flat, fixed budget that I believe we can continue to increase the amount of work getting done in the harvest. We were on pace to be able to do that.

I think with our budget request we can quickly get back on pace.

The CHAIRMAN. Now the sequester, obviously, takes a toll. Lift-
ing the sequester and coming up with a bipartisan alternative
clearly will help.

Is there any way short of that? Because it's obviously not going
to happen in the next 10 minutes, which is really what we need
so the priorities can be arranged. I think you'd like to move in the
direction of more collaboratives, perhaps more stewardship con-
tracting. The staff has been going through a variety of programs,
something I am not a big expert in, to find opportunities such as
the cost pools account, for example.

Are there ways in which—even in these constrained financial
times—we can get the priorities changed? Senator Murkowski
made essentially the same point. So we can get more into the tim-
ber harvest account?

Mr. TIDWELL. Mr. Chairman, I have used up all my limited flexi-
bilities to be able to do everything we could to be able to mitigate
the impact of the sequester reductions, especially when we get
those in the middle of the year. I guess we'll have to wait and see
how effective those are going to be. But I'll tell you I've done every-
thing I can to be able to use our limited flexibilities.

In addition to that, if we could send a strong signal that steward-
ship contracting is going to be reauthorized so that not only our
purchasers, our contractors but our employees can see that that's
going to continue to be a tool that's available along with timber
sale contracts. That will be very, very important.

The other thing is to show support for collaboration. It takes a
lot of work to keep people at the table, especially those that in the
past have not been supportive of restoration or timber harvest on
the national forests. Any signals that are sent to those groups that
say, hey this isn't the way we're going to keep working I think is
what it's going to do is discourage those efforts.

So those are a couple of things that we could—I would ask you
to do right now to be able to help us get back on pace with our ac-
celerated restoration.

The CHAIRMAN. Let's do this. I mean, obviously the
collaboratives, I think, are the way to go. It's my understanding
that the reserves that are being talked about are managed by a pri-
vate entity under state law. That's what's being discussed by some.
I gather that technically still provides for Federal ownership.

But you think between collaboratives and that approach, collabora-
tive is the way to go. Is that correct?

Mr. TIDWELL. Yes, that's correct, Mr. Chairman.

The CHAIRMAN. OK.

Let me ask you one other question then if I might.

On the sequester, where there is so much frustration in terms of
the communities and the Governors. What is the deadline for the
states to return these funds to the Administration?

Mr. TIDWELL. Mr. Chairman, I tell you I regret it, the day I had
to sign those letters and send it out to, you know, to the Governors.
We've asked them to indicate if they want us to take the sequester
out of Title II. We've asked for their response this month on that.

Then once we receive that, we will then move forward to send
a bill for collection to those states that choose not to use the Title

II funds. Then they'll have a certain amount of time. It's usually about 30 days before they need to respond to that bill.

The CHAIRMAN. What's going to happen if the states don't return the funds because I think a lot of these communities just have no room, just no flexibility. What will happen then?

Mr. TIDWELL. I'm not the expert here, but it's my understanding that if the funds aren't returned the day that they're due that there will be penalties. There's interest payments that will occur. But I—we can get back to you as to exactly what the process is on that.

The CHAIRMAN. I would just again encourage you to find a way to minimize the harm to these communities. I was in them. This is—they're walking on an economic tightrope now.

I mean, they literally, in a lot of these instances, cannot fund basic law enforcement. There's discussion about setting up citizens self-policing kinds of organizations. It is that serious of a problem.

So I would just encourage you to look for ways to mitigate the harm, No. 1.

I'd like to ask you to look through all of the accounts that strike me as having a possibility to have some reductions in order to help the timber harvest, the cost pool account, the minerals program, and the land ownership management program. We'd like you to look at all of those.

On the basic proposition now we've clarified that you think collaboratives make more sense for the long term than have something that may be technical Federal ownership, but is managed by a private entity under state law which is clearly going to trigger a lot of those battles that we saw in the past. But we've got to do something now. We're going to have the debate in terms of what to do for the future.

You've convinced me that the collaborative route is the way to go. But we've got to get relief to these communities now otherwise they're not going to be around. They're not going to be around for us to have this approach with respect to the longer term kinds of ideas.

So let me—I've gone over my time. I'm going to give colleagues a little extra time as well.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

I will just add a final comment to the discussion here about Secure Rural Schools. Chief, it is adding insult to injury to these communities that, again, I've used the term there it's an economic disaster for so many of them when they look at the uncertainty with the Secure Rural Schools funding and really, the inability to look anywhere else, anywhere else.

In Ketchikan, my birth place, you know, we've had this conversation before. They live in the middle of the Tongass National Forest. It's not as if there is developable land around them. It's .03 percent of the land is available outside of what the Federal Government holds for them.

So to suggest that not only we're going to claw back the revenues that we've given you that you anticipated, that you budgeted for. We're going to claw that back. If you can't return that money then we're going to ding you with penalties and fines that they further

can't pay. For heaven's sake. We have got to figure out a better path forward than that.

We have got to figure out a way to avoid that because if they've got to return the dollars that they don't have because they have been spent. Now they're being assessed fines and late fees and penalties by their Federal Government. Wow.

Let me ask a question following on. This relates to how we get the cut up, as we discussed at the last hearing a couple weeks ago. You were very clear. I felt you were very clear in that hearing that what we were going to see was an increase.

So when in fact we are seeing a 15 percent reduction from year prior that doesn't bode well with the words that you have used. So how? Why? Why the 15 percent reduction?

Then as you explain to that—explain that to me if you can explain how this budget and these reductions will affect the Tongass transition plan and the Tongass integrated plan that we've been working on. We've got the implementation of several big sales coming up. The Big Thorne out on Wrangell Island.

Tell me how and what this means for us, not only from the national perspective, but more local in my home State, where again, these folks are hanging on by their fingernails.

Mr. TIDWELL. The 15 percent reduction in the timber harvest is reflected on what's happening this year. With having a reduction that we had this year, especially in the middle of the year, over half of our, the funds that we have to do timber sale preparation go to administering the current contracts and then covering some of the fixed costs that we have no choice. So we only have 50 percent to be able to work on the next year's contracts.

So the whole 5 percent plus has to come out of that. So it's going to result in fewer crews to be out there to be able to mark the timber. So not only does that impact what we can do this year, but it also, I expect, it will have a larger impact in FY'14.

Senator MURKOWSKI. So you're saying that the reductions will be even greater in 2014.

Mr. TIDWELL. That's what I reflect with this current budget. That was our estimate. That's why you see the reduction in FY'14 because of what's happening this year.

Now I admit these are conservative estimates because I'd much rather be able to come in here like we were after FY'12 and say we exceeded the self imposed target that we put out there. I hope that we can do a better job. We're doing everything we can to be able to offset this. But as far as when I have to put out an estimate of what we're going to see in FY'14, it has to factor in the impact that's occurred, that's occurring this year.

Now we're taking with the FY'14 budget, we can get back on track and for instance when you talk about the transition plan. It continues to be one of our priorities to be able to not only move forward with the Big Thorne and Wrangell. But at the same time to move forward with some work in second growth that is so essential for us to be able to show that in the future the timber harvest there in Southeast is going to be a mix of some old growth and also some second growth. Also to be able to move forward with some of the pellet plants that we're hoping to get into place to be able to offset those high energy costs.

In addition to that with our limited resources this year we sent some additional money to do the road work for next year's sell. So we're doing what we can this year to be positioned to be able to get that harvest done next year.

So those are the ways that we are approaching to be able to do what we can to be able to get back on track with our restoration strategy.

Senator MURKOWSKI. I think we would all agree that whether it's roads or whether it's a pellet plant, it doesn't do any good to have the infrastructure if we don't have the timber, if we don't have the product that can be used for that pellet plant. You don't need the road if we're not going to be able to harvest that timber. You and I talk a lot about this transition to second growth.

But if you can't hang on until that timber is ready to be harvested you've got a dead or dying industry that cannot be resuscitated. I look at what you're proposing for the national sales. I see how that impacts us at the state level.

Then I look at the budget category for land acquisition and you're telling me that on the one hand because of sequestration and the funding and the budget, we just can't make it happen. Yet we're seeing a 72 percent increase in funding for land acquisition again, with no corresponding increase in staffing to manage that. So I'm just not seeing how this all balances out.

I've gone over my time. But hopefully we'll have a moment for or an opportunity for a second.

The CHAIRMAN. We will definitely have a second round.

Senator Johnson.

Senator JOHNSON. Following up on the question by Senator Murkowski, why aren't the replacement of the fire fighting funds and activities to combat the pine beetle problem offset by the land acquisition funds? Why is that not a good idea?

Mr. TIDWELL. Senator, our request with the land acquisition and also for our legacy program for conservation easements.

First of all, it reflects from what we're hearing from the public to acquire these relatively small parcels of land that are key in holdings, not only to ensure that the public has access to be able to get up on to the national forest. But it also just reduces the amount of boundary location we have to deal with. It eliminates the problem that if we want to go out and do a timber sell, we no longer have to go out there and spend a lot of time citing that boundary. We can just go in and treat the whole area.

So our land acquisition program, almost in every case, it actually reduces our administration costs. It gives us more flexibility. Then, as you well know, there's more and more interest on the national forest for more people to get out there and recreate.

The private landowners sometimes get tired of those impacts. So we continue to see more and more private landowners want to close their lands so that the public can't get to the national forests. So this program is focused on being able to also acquire those key access points. This is always from willing sellers. We have people lined up for both the acquisition programs and also for the conservation easements.

Senator JOHNSON. Good.

Chief Tidwell, the reserve accounts established under the FLAME Act have been operating for several years now with the goal of preventing the practice of “fire borrowing” to cover costs associated with wild fires. But last year the Forest Service had to transfer money from non fire accounts to pay for fire suppression. Are the FLAME reserve accounts not operating as they were intended? Can we expect to see additional transfers this year if we experience another high cost fire season?

Mr. TIDWELL. From my view the Flame Act has not had the success I think we were all hoping for, for a variety of reasons. So like last year we had to transfer \$440 million. To put that into perspective, over the last 10 years we've transferred \$2.7 billion.

In addition, you know, to that as to what we're looking at for this fire season and we're predicting a similar fire season to last year. So in all likelihood we're going to have to end up transferring, you know, a similar amount of money if we have the same level fire season. We're hoping that it moderates. But we're going to be prepared for similar fire season to last year.

So at this point I can anticipate coming back up here asking for your approval to be able to transfer the funds.

Senator JOHNSON. The Forest Service Restoration Strategy called for increasing the pace and scale of restoration in the national forests. What specific steps has the Forest Service taken since the Restoration Strategy was published in February 2012 to increase efficiency of implementing NEPA, timber sales, and stewardship contracts? To what extent will those increased efficiencies be able to offset the reduction in funding from the sequester?

Mr. TIDWELL. Senator, I'll start with using the project there in the Black Hills with that adaptive EIS that covered the 248,000 acres, one document that positions that forest to be able to go forward and do the work. That demonstrates how we can be more efficient in our NEPA processes.

The second thing that we're going to continue to work on we've put our new rule out for—with the objection process. So that we've replaced our old appeals process with an objection process that I think also provides better opportunity for the public to be able to participate in, you know, in our project development. But also it will speed up the decision making on that.

The other thing, we're working with all of our regions across the country to be able to maximize efficiencies as to how we do our sell prep. We used to spend a lot of time, you know, marking individual trees. We got a lot of parts of this country today that those trees don't have a lot of value. But they need to be harvested. So we're changing the way that we do some of our sell prep to continue to be able to reduce our costs.

These are the sort of things that we've been working on to be able to continue to accelerate the pace basically without asking for more money.

The other thing is stewardship contracting. It is the right tool, especially when we're dealing with some of our forests where we need to remove a lot of the smaller diameter material that doesn't have a lot of value. If we can do that through a stewardship contract to be able to use the value of the merchantable material to

offset the cost of removing the smaller diameter stuff. We can't do that with the timber sale contract.

So a stewardship contract is just another essential way for us to be able to continue to, you know, accelerate our restoration.

Senator JOHNSON. Thank you, Chief Tidwell.

My time is expired.

The CHAIRMAN. Senator Barrasso is next.

I'm going to have to be in the Finance Committee. So I think what we'll do is we'll have Senator Barrasso next. Senator Udall has arrived. We're very appreciative of the fact that he can stay a bit and chair.

Senator Udall, I know there's great interest in a second round with the Chief. So I will try to get back as soon as I can. So we'll go with Senator Barrasso.

Next Senator Udall for his questions. Senator Murkowski to begin our second round. Then hopefully I'll be back fairly shortly. But if you would, let's ensure that at least other members who want to come and myself can get for their first round and I can get back for a second round as well.

Alright, Senator Barrasso.

Yes, we can keep talking there's no shortage of that in the Senate.

Senator Barrasso.

Senator BARRASSO. Thank you, Mr. Chairman.

Mr. Chairman, I'd like to note the House and the Senate have already passed their respective budgets and I appreciate you being here today. The timing of the Administration's budget is another example, in my opinion, of the President leading from behind. I share your concerns.

The concerns I hear from you, from the agency employees and various stakeholder groups who work with the Forest Service. The concern is with the overall inability of the Forest Service to actually manage our forests. Under this Administration the Forest Service is chasing wilderness designations, climate change, land acquisition and wildlife management. If our sick and decaying forests have any hope to recover the Forest Service really must return to its roots of management and proactively improving the health of our forests.

Also, this committee led by Senators Wyden and Murkowski have oversight responsibility. They're working together on that. As such, I can't support the Administration's integrated resource restoration of the IRR program until the ability of Congress to maintain its oversight role is fully addressed.

I have a number of questions. I wanted to start with Good Neighbor Authority. At this same time, at this same budget hearing last year we spoke about and agreed upon the useful tool, the Good Neighbor Authority would be and both for the states and the Forest Service. My home state of Wyoming needs and wants the ability to work with the Forest Service and the Forest Service desperately needs every tool it can get to actively manage and restore forest health.

Along with Senator Udall, who is here chairing the committee, and Mike Lee and Tim Johnson, who is here as well this morning, once again introduce the Good Neighbor Authority Act. With bipar-

tisan support of this committee it's time, I believe, for the Administration to fully support this common sense and much needed legislation. Will you personally commit to engaging on Good Neighbor Authority?

Mr. TIDWELL. Senator, yes. In fact, we do support expanding the Good Neighbor Authority. We do have a few minor technical adjustments we'd like to work with you on based on our experience so we can make it even more effective, more efficient.

But you're exactly right. This is another tool that allows us to bring more capacity to be able to do the work across larger landscapes. At the same time, you know, it increases the cost of our work. So I appreciate your support for helping us to be able to move forward with this.

Senator BARRASSO. I'm glad to hear that because as you know the Forest Service is going to be testifying on the bill on April 25th.

I wanted to get to another topic that others have discussed and it has to do with the Forest Service air tanker availability. Like many on the committee, I'm concerned with the current status of air tanker availability to fight wild fires. We all agree in these times of constrained budgets that the Forest Service is going to need to get more work accomplished within the existing budget resources.

So the agency needs to focus on how to effectively and efficiently deliver the required annual fire retardant in the most cost effective and safe manner. So I'm going to include an air tanker related question for the record. I just would ask that you commit to getting that answer addressed in a timely manner.

Mr. TIDWELL. Yes, I will.

Senator BARRASSO. Thank you.

In terms of grazing management the Forest Service budget proposes additional fees of a dollar per AUM, animal unit month for family farmers and ranchers to recover the costs associated with NEPA analysis and issuing grazing permits. You know when I talked to both ranchers and agency employees back in Wyoming, they attribute the increase of cost to renew a permit actually to excessive litigation against the agency. I'm wondering what percentage of the Forest Service system line item budget is actually spent on litigation, if you know and you may not know.

Mr. TIDWELL. You know, Senator, I can get back to you with the amount that we spend as far as the legal costs. I can—we can probably give you an estimate about the time that we spend on it.

Mr. TIDWELL. But it's one of the things why we've been focused for years to be able to get the NEPA down on our grazing allotments to alleviate some of that concern from some litigation.

It's one of the reasons why we had to make some tough choices in this budget. You know, the idea of increasing the fees for, you know, for our ranchers, you know. That's a hard thing.

But without that it's going to be so difficult for us to be able to do the administration that needs to be done to ensure so that the opponents to grazing that we have a good response because we can show we've done the monitoring. We can show that the range is in good condition. We need to be able to do that.

So that's one of the reasons why we've proposed this idea to be able to generate some additional money to be able to really focus

on that administration on the monitoring with an understanding that the NEPA work is going to continue to probably have to be postponed just like we've been having to do that for about the last, I'm going to say, 10 years now.

Senator BARRASSO. Is the Forest Service doing anything to recover the costs associated with some of these excessive lawsuits?

Mr. TIDWELL. No, we do not have any authority to recover those costs.

Senator BARRASSO. Do I have time for one more question, Mr. Chairman? Thanks.

It's on timber management and other Senators have addressed that the Forest Service announced that a result of the 5 percent sequester cut that timber production would be cut by 15 percent. So, I mean, it just makes me think if Congress increased funding specifically for timber production by 10 percent, you know, could the Forest Service then increase total board feet by 30 percent if you've got to use the proportionality.

So I guess just some clarification.

Does the Forest Service include the areas burned by wild fires as acres treated when you report those numbers to Congress? We're just trying to dissect out how the numbers are all reported.

Mr. TIDWELL. When we report the total acres where we've used fire to restore ecosystems, we do report that. Then we actually identify how many acres have been treated using fire and how many acres have been treated by using timber harvest, mechanical treatments.

Senator BARRASSO. OK.

I think I'm going to maybe, submit some written questions to kind of try to dissect through those numbers to see how that all works.

Thank you.

Thank you, Mr. Chairman.

Senator UDALL [presiding]. Senator Barrasso.

Senator BARRASSO. That's quite alright.

Senator UDALL. Feel free to ask some additional questions if you'd like.

Chief, I'm going to use my time now. Good to see you. Thank you for making the trip up to the hill.

I'd like to start out with wild fire questions as well. I don't have to tell you that we had 2 deadly fires last summer that gained national attention, the Waldo Canyon and the High Park fires. They were declared national disasters.

Tens of thousands of people were displaced. About a million Coloradan's water supplies were threatened. We're still dealing with the aftermath of that.

In that context and I know this is a theme you've been hearing a lot today, I've noticed that within the wild land fire management budget the hazardous fuels sees a 37 percent cut. That concerns me particularly because the number of people living in fire prone areas is increasing as are fuel loads. The importance of mitigation is well documented.

Your own report, Increasing the Pace of Restoration, a job creation on National Forests, has a goal of treating more acreage every year. Can you talk about how you plan to meet the goals and

the strategy while protecting the areas most at risk for wild fire with such a large reduction in funding?

Mr. TIDWELL. This budget reflects a reduction in the total acres that we would treat. However we are going to continue to treat the highest priority acres around our communities. Our hazardous fuels funding will be focused on treating only the wild land urban interface and to be able to work where we—the communities are working with us.

It's one of the things that we found with our hazardous fuel treatments is that it's essential that if we're treating the national forest the ideal situation is that the private, the adjacent private lands, are also the works being done there. So it really maximizes the effectiveness. That's how we're going to, you know, prioritize this work.

In addition to that we'll use our restoration funds, an integrated resource restoration, to be able to do the hazardous fuels work in the back country outside of the wild land urban interface in conjunction with our restoration. So we're still going to be doing hazardous fuels work out there. It will just be part of these larger projects.

This money will be focused just on the wild land urban interface.

Senator UDALL. Thank you for that clarification. I'm not going to continue on and have that conversation with you. But I hear you saying you're focusing on what we call the red zones of the WUI, the Wild Urban Interface.

Mr. TIDWELL. Yes.

Senator UDALL. So thank you for that clarification.

In my State and you heard Senator Murkowski and other of my colleagues talk about how critical the forest products industry is in the improving of the health of our forests while providing jobs. In my State you have rural communities like Montrose and Delta, who are playing, again, an important role in that regard. I want to thank you and your team for your efforts to implement 3 long term stewardship contracts in Colorado that have already released fuels around communities while providing valuable forest products such as biomass electricity in Pagosa Springs and Gypsum, landscaping materials in Colorado Springs and wood pallets in Pueblo.

Those are good news stories.

But I also want to echo the concerns of my colleagues about the reduction in timber targets from 2.6 billion to 2.3 billion as I read it. That's board feet. The effect that could have on our still struggling timber industry and our capacity to do more on the ground. So I'm just making that as a statement. You don't have to respond.

Let me move to air tankers. The effect they have on the initial attack which means they keep small fires from becoming catastrophic mega fires and helping our ground crews put those fires out is well understood. When you fight a fire you're going to war.

Given we're facing another potentially severe fire season what can you do to ensure me that we're going to have the next generation air tankers in the air during this fire season?

Mr. TIDWELL. In addition to the legacy air tankers that we issued the contract for a few weeks ago, in the next few weeks we'll issue the contract for up to 7 next generation aircraft that will hopefully be able to work this year. In addition to that we'll continue to rely

on the MAFFS units that we used so much last year along with the VLATs that we also used and then also to bring the aircraft down from Canada and Alaska to ensure that we have the aircraft that we need to be able to respond to these fires.

As we move forward with the next generation in aircraft and hopefully with the C27Js, it will reduce the reliance on the MAFFS units and to be able to ensure that we have that initial attack capacity with our air tankers.

Senator UDALL. On a scale of 1 to 10 how confident are you? Ten being the most confident that we're going to have the air assets we need?

Mr. TIDWELL. For this year? I'm at a 10 that we'll have probably 24 to 25 large air tankers available this year with between the MAFFS and the planes from Alaska and in Canada along with the contract that we'll have.

Senator UDALL. Let me move to some of the discussion about sequester and the transferring of funds and so on.

Given rising suppression costs and the fact that the agency spends nearly half of its budget on wild fire management which I think my colleague, Senator Johnson, alluded to. In so doing you're transferring funds from other programs. What's the impact on these other important programs? Obviously fire response is critical, but it's, I don't have to tell you it's not the only mission of the Forest Service.

Mr. TIDWELL. No, but the sequester had an impact on that and reduced the suppression funding. It also reduced the preparedness funding. Now we're going to mitigate that the impact of preparedness funding, I mean, if you just look at it it reduces our crews by about 500 firefighters and, you know, 50 to 70 fire engines and less money for aircraft.

But the way we'll offset that is that we'll do more prepositioning of resources. Then we'll use more call when needed resources, whether that's contract crews, more contract helicopters, the call when needed and if we need to call when needed large air tankers. The problem with that a call when needed contract runs anywhere from one and a half to 2 times as much as our exclusive use.

So we'll start off the season with less resources, but right at the start even with the moderate fire season we're going to spend more on suppression because of this reduced level of preparedness to start.

So I wish I could give you a better answer. But because of sequester, it's probably just going to cost us more money when it comes to fire suppression. But we will respond. We'll have the resources that we need.

Now in addition to that we've already talked about the impacts, you know, to the restoration work, you know, to timber harvest. We also are going to have to, you know, close some of the lightly used recreational facilities. These are usually the—some smaller campgrounds, smaller boat ramps. We're looking at somewhere around 600 of those facilities, but that's out of close to 20,000 recreational facilities that we manage.

We're also looking at opportunities to do shortened seasons. We're getting some good snows out in your country that will actu-

ally shorten the season. So that may help, you know, impact some of the off—of having to close facilities.

So the folks are working hard. We're also working with communities to see if there's a way to get a volunteer group or something to come in and do the minimum maintenance that's necessary to be able to maintain these facilities. But those are the impacts that, some of the impacts, that we're dealing with through the rest of this year because of the shift in the budget we received.

Senator UDALL. Let me ask you one last question and the bulk of the answer I'd ask you to provide for the record since I see Senator Franken here. Senator Murkowski has another round of questions.

But your Rocky Mountain Research Station reviewed 2 other Colorado fires, the Hayman fire which is unfortunately infamous in our state. Ten years ago it occurred and the Fourmile Canyon fire. Both of those reviews showed conclusively that one of the most critical factors in protecting homes in a wild fire is the proactive work that homeowners do and the so called HIZ, the Home Ignition Zone.

Would you, again for the record, but maybe briefly, 30 seconds or so, you could talk about what you've been doing to support these critical efforts on private property.

Mr. TIDWELL. It is part of our cohesive strategy where we're working with the states and local fire to be able to inform private landowners, inform county commissions, county supervisors that the steps that can be taken to make, to help our landowners understand what they can do on their land can make all the difference when we get a fire. I'm going to tell you we have hundreds of thousands of examples of where if a homeowner has taken the steps to remove the brush, the trees, from around their homes. The woodpiles away from their homes and using non flammable materials for decks and that sort of things, those homes survive when a wild fire comes into a community.

That's the sort of thing we have to continue to work on along with reducing those fuels on the national forests that are around our communities.

Senator UDALL. Yes, I would note that if you move a propane tank from close proximity to your home that's a very good idea for obvious reasons. The studies also show that the most important tools you can deploy are a weedwacker and a rake. A chain saw actually is of less use. It's pretty simple things people can do.

Thank you for being here again today.

Senator Franken is recognized.

Senator FRANKEN. Thank you, Mr. Chairman. I want to remember that weedwacker and a rake. That's a good thing to remember.

Thank you, Chief, for being here.

I want to talk to you about the boundary water canoe area which, as you know, is spectacular wilderness area between Minnesota and Canada up in Northwestern Minnesota. Now for historical reasons over 93,000 acres of school trust lands that belong to the state are enclosed in this Federal wilderness area which means they cannot contribute to the economic development which support Minnesota schools. There are a few possible ways that this problem can be fixed.

The Forest Service can purchase the state lands from Minnesota or the Forest Service and that money would go into the trust fund or the Forest Service can take ownership of the state lands inside the boundary waters and give up ownership of lands outside the boundary waters in exchange with the State of Minnesota. A third approach would be a hybrid of those 2.

In fact, Minnesota is working with the Superior National Forest on this issue. I think your support and attention to this matter would be important to facilitate a resolution. Would you commit to meet today to working with me, the State of Minnesota and the Superior National Forest so we can resolve this decades old problem?

Mr. TIDWELL. Senator, you have my commitment. This is a perfect example of where probably a combination of land exchange and maybe some acquisition can not only help out the state to be able—so they can generate additional revenue off of their land, but at the same time to be able to maintain the purpose of the boundary waters area. So you have my commitment to work with you to be able to move forward with this.

Senator FRANKEN. Thank you. I appreciate that.

Chief, you and I in previous hearings have talked about climate change. You told me your scientists are telling you that climate change is exacerbating wild fires. Today I want to ask you about some of the other challenges that climate change presents to our forests. In particular invasive species like the bark beetle. Senator Udall has done a lot of work on the pine beetle in Colorado.

As you know the bark beetle is normally kept in check by cold winters that kill its larvae. But as winters get warmer the bark beetle is surviving at higher altitudes and destroying more forest.

Again Senator Udall has been working on the pine beetle in some Colorado forest. The warmer weather is causing the mountain pine beetle to go from reproducing once a year to reproducing twice a year. In a little over a decade this mountain pine beetle has killed more than 70,000 square miles of forest which is equivalent to the entire State of Washington.

When you develop your budget, Chief, are you taking into account future climate change impact?

Mr. TIDWELL. We do that through the work that the forests are doing in conjunction with our research and development branch. We're fortunate to have a group of scientists that have been studying the effects of a changing climate on vegetation. So we've already started in factoring that in to our decisions.

To realize that the ecosystems we have today, the mix of species we have today, may not be what we need to have in the future. So by understanding how this climate is changing and how it's affecting the vegetation, we're factoring that into our decisions so that our forests in the future are going to be more resilient to be able to handle the stresses of a changing climate. So we factor that into our planning that we're doing. It's part of our new planning rule requirement.

Then also our scientists are working directly with our land managers so that they understand what they need to do differently. They need to understand that we need to mix up this even age stand, the lodgepole that we have throughout the West instead of having millions of acres of basically all lodgepole that's all the

same age. We've got to find ways to break that up because in the future when we have infestations usually they just hit the older mature trees and leave the younger trees. The condition we have out West is that so much of it's been, you know, just an even age.

We also need to understand the impacts of species like white bark pine. That in the past we never had to worry about bark beetle hitting white bark pine because it grows at such high elevations where it's always been cold enough that the beetles were never a problem. Today we understand what we need to do differently with white bark pine to be able to maintain that species with this changing climate and having to deal with bark beetles.

The other things going on is with the invasives in the East. With the emerald ash borer that was introduced to this country a few decades ago it's on a path to eliminate all ash trees in the Eastern United States. It's already made it into Southern Canada. In the past cold winters would have stopped a species like emerald ash borer, you know, probably where it didn't get much farther north than, you know, just maybe in Pennsylvania. But we're actually seeing it now move into Canada.

We need to continue to do the research so that we understand what we can do to control, biologic control, of those types of species. So that we don't end up with ash trees like we have with the American chestnut. Those are a couple of things that we're continuing to work on.

Senator FRANKEN. Thank you.

I see my time is up.

I just want to thank you for your help when we had the big blow that brought down some timber in Northern Minnesota and in the Chippewa National Forest. I want to thank you for your help in making it, our timber industry, able to harvest that.

Thank you.

Mr. TIDWELL. Senator, I'd like to just comment on that. When we talk about the effects of a changing climate one of the things that we see is more erratic weather, more of these extreme disturbance events. So your part of the country where we used to, once in a while, we'd have a big wind storm that would come through and we'd have to be able to respond to it to be able to get in there and clean up the down and dead timber.

We now recognize today that we need to plan for that every year. So that we've actually put it through our program of work each year for especially that part of the country to be prepared to set aside funds to be able to respond to the basically the next impact, the next disaster. So that we have the resources to quickly get in there and clean up that timber before it creates another insect and disease problem.

Senator FRANKEN. Thank you for your response during that. It was good talking.

Mr. Chairman, thank you for allowing me.

Senator UDALL. Thank you, Senator Franken. Thank you for including Colorado's situation in your remarks.

Let me recognize the Ranking Member, Senator Murkowski, for her second round.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Chief, in discussion going back and forth here about how the interagency model works with states that mobilize to provide the resources in when we have wild fire incidents. Alaska, obviously, plays a key role in all of this particularly with respect to the air tanker support. You've noted that.

Now for decades it's my understanding that the master cooperative fire agreement has provided this mechanism, for among other things, the billing and reimbursement between the states, the USDA, Forest Service and other Federal agencies to facilitate the mobilization of these suppression resources. Under that agreement state resources dispatched out of state, regardless of jurisdiction, have been submitting their billing package to Forest Service at the Albuquerque center for payment. It's my understanding then that beginning this year the Administration is no longer going to use single point interstate billing. States will now be forced to figure out how and who to bill when responding to Federal jurisdictional fire outside of their own State.

This is news to me. I guess the question to you is why is the Administration ending a system that, I think, has been relatively efficient in mobilizing these suppression resources? I'm going to put out there the concern that I have. We've been dealing with some of our just aviation support folks up in Alaska, people that will fly, cruise around, on a contract basis. The billing system with MDOI has been fouled up to the point where operators are calling me to try to get paid for services that they have rendered 9 months prior, 12 months prior.

So I'm looking at this and all the bells and whistles are going off saying, is this a good thing? Why are we doing it? Why are we fixing something that apparently I hadn't heard was broken?

Mr. TIDWELL. Senator, I'm not aware of that, but I will get back to you on it. I'll look into it. The points that you've made that our master agreements work so well so that folks, whenever they're called they can just respond.

Senator MURKOWSKI. Right.

Mr. TIDWELL. They've always had the confidence that yes, they'll be reimbursed for their costs. You know, I'll get back to you. I know we're constantly looking at our processes to be able to find more efficiencies to be able to save some of the overhead costs, but then also to be able to pay those bills faster.

Senator MURKOWSKI. Right.

Mr. TIDWELL. Because those folks, they need their money. They can't—I hate to hear when you say folks go for months without getting their payments. So I will look into that and I'll get back to you on it.

Senator MURKOWSKI. I would appreciate it if you would do so quickly because as we go into the fire season if states aren't really sure where they submit their billing you would hate to think that somebody is going to hold back or defer because they're worried about where their reimbursement is going to come from.

Mr. TIDWELL. Right.

Senator MURKOWSKI. The timeliness of that. So if you can address that, I would appreciate it.

A couple more parochial matters here.

I'm going to be going to Ketchikan in a couple weeks and sitting down with some of the air taxi operators that are there. What I'm hearing from folks there is that the Forest Service is reducing the permit allocations in the Misty Fjords National Monument and Trader's Cove. What they're doing is they're reducing the number of allocations that would allow for landings within Misty Fjords by 20 to 30 percent for each air operator.

Now you've sat here this morning and told us that hey, it's all about, you know, the tourism dollars that come in. In Ketchikan, as you well know, this is a timber community that is no longer a timber community. They're trying to find something else so they're turning to tourism. Yet, now the National—the Forest Service is limiting the opportunities for tourism for these taxi operators.

As you know, the monument is accessible only by water or by air. So again, I'm going to be meeting with these folks in a couple weeks. I would like to know that you can give me a commitment that the Forest Service is going to reconsider this decision that would reduce these allocation numbers.

Mr. TIDWELL. Senator, we need to diversify the economy there in Southeast Alaska. I know you've been supportive of that. We need to get the integrated wood products industry back to be part of that diversification. But as you've mentioned yes, tourism is a big part of it.

This is when I apologize, but I'll have to look into this and get back to you. I'll make sure that we do that this week.

Senator MURKOWSKI. Great.

Mr. TIDWELL. So you have our response and what we possibly can do as we go forward with this.

Senator MURKOWSKI. That would be important to me if I can get that information and your review of that prior to, I think, it's like the 24th of April there.

Senator MURKOWSKI. Then one last. This is also an effort for me to reduce the volume of mail that comes to me from constituents. This relates to an area outside of Wrangell, Alaska on its Stikine River. There is an area known as Anan Creek which has premier bear viewing opportunities.

Again, Wrangell, a community that, you know, I use the expression all the time these communities are hanging on by their fingernails. I'm not sure Wrangell has any fingernails left. So they're looking also for their tourism opportunities.

The bear viewing area there at Anan Creek is again, pretty phenomenal. The problem that exists is that boaters who want to go up the Anan Creek Trail can't tie up anywhere because there is no float. There is no docking. Apparently it's a little bit of a hazard.

I know that we're dealing with budgets. I know that things are tight all over. But again, if what you're trying to tell me here is that we're going to where we're not going to be focusing as much on the multiple use. We're going to see timber harvest to continue to drop at the same time we're going to increase tourism opportunities.

I think that the Forest Service needs to look at how you might be able to allow for tiny slivers with minimal impact. Anan Creek, I think, is clearly one of those. I don't know whether you've had an opportunity to be briefed on this. If not I would understand

that, but would ask also that you have your folks take a look at this.

Mr. TIDWELL. It's my understanding that yeah, if you tie up there your boat gets beat up in the rocks pretty easily. It's an area that I want to work with you. I know the region will want to work to be able to find a way to be able to put a dock in there. I understand it would have to be one that would be taken out each year. But we do that in a lot of places.

Senator MURKOWSKI. Right.

Mr. TIDWELL. There's systems in place now that you can retract a dock and then put it back out. So it's one of the things that I'll contact the region to see what we could do to maybe, be able to move forward with, you know, putting a dock there.

Senator MURKOWSKI. OK, well I would appreciate that. Then again, if you can get back with me on the Misty Fjords issue.

I've got one more quick question, Mr. Chairman. Then I'm wrapped up if you're OK.

The CHAIRMAN [presiding]. I have additional questions.

Senator MURKOWSKI. OK.

The CHAIRMAN. I want you to go ahead first.

Senator MURKOWSKI. Alright. This is the last one for you. This relates to the inventoried road less.

As you know the U.S. Court of Appeals trucked down the decision to exempt the Tongass from the national road less decision. This is going to remove some 9 million acres in Southeast out of the state's timber base. But in addition to that, as troubling as that is, it causes me concern because it really does complicate efforts to build electrical transmission lines. As you know, all of Southeast is predominately powered by hydropower but you've got to be able to put those transmission lines in.

The response that I get back is well, the road less rule doesn't prohibit you from putting in this transmission lines. You just have to do it by helicopter. Anybody that's tried to put in a transmission line by helicopter in Southeastern Alaska knows that you have now made it effectively cost prohibitive.

So it limits our ability with energy, renewable energy development, access to mineral areas. You know the impact to the economy. So my question to you is how much does it cost the Forest Service to—and this, I guess, in both in time and in staff to deal with the administrative demands of implementing the inventory road less within Southeast Alaska? We have any idea?

Mr. TIDWELL. You know, I don't have a figure off the top of my head, you know, Senator. But it's, you know, the reason we have, you know. I'll go back to 2001 road less areas that these were areas for the most part had never been developed. It hadn't had—it didn't have a lot of roads, hardly any roads in them. They were places that we heard from the public that there was strong interest to be able to maintain these intact ecosystems.

With that being said the rule does allow, you know, flexibility. Where I have not worked in Southeast Alaska I've worked in a lot of other parts of the country where we've built power lines using helicopters. Often it becomes the best way to be able to put in, especially, the larger towers.

So I'd like to for us to be able to get some analysis done to be able to really look at what is—is it truly cost prohibitive or is it just some additional cost. But to be able to do it in a way that we can expand, you know, the energy transmission up there in Southeast Alaska. Because that's such a key part of our transition strategy to be able to reduce the energy costs that we need to be able to find a way to transmit that electricity.

So that's what I'd like to focus on is how we can find a way to be able to do that but at the same time to be able to protect the road less characteristics of those lands.

Senator MURKOWSKI. Chief, I would invite you up anytime. In fact, I'd like to take you on some of these trips. I'd like to take you out to Angoon where they're paying 51 cents a kilowatt/hour.

I'd like to take you over to some of these communities that can practically see where the transmission lines are but they can't get to the next community. So they are paying double, triple, quadruple what the next village is paying for their renewable, hydro-power electricity that is generated and to fly over these areas.

It's one thing to put, to utilize, a helicopter to put a transmission line in in a place like Wyoming or a place like Oregon. But the Tongass National Forest is pretty much, you find me a flat piece of land, you find me an area that's not a mountainside where you're blasting into rock. The only place that I can think of is out there on the beaches.

It is a very unique terrain. The beauty of being able to provide energy to the people there in Southeast is we've got abundant hydro resource. But you've got to be able to put in a transmission line.

So I would ask you on this issue do not make the assumption that because you can utilize a helicopter in other parts of the country to put a transmission line in that's the same operation in Southeastern Alaska. It just belies the geography. It belies the topography.

So if you're thinking that this is reasonable. I need to take you on a field trip. I will promise to do so. I think the folks that work for you up there know how extraordinarily difficult this is.

If we can't get around that our communities will be choked off. We've already been choked off from our timber harvest and now we will be choked off because we cannot afford the energy and the power. They cannot afford the power in these communities.

We've got to be able to build these transmission lines. We've got to have some help around the road less that is strangling our opportunity economic development. The tourists want to come, but if there's no lights for your hotel they're not going to come.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Murkowski.

Chief, I can tell you that the Murkowski excursions to Alaska are very educational. I would encourage that.

I want to ask you about 2 other areas that I haven't touched on today relating to getting the harvest up, Chief. One is what came up constantly during my swing through Eastern Oregon a week ago. That is the National Environmental Policy Act.

What I understand from the agency is that one of the reasons that the timber target went down is the agency implemented many

of the projects for which NEPA and planning had been done and planning hasn't been completed for new projects. So what the concern was, as I was making my way through Eastern Oregon, is why the agency can't implement projects and also continue to plan for new projects in future years.

So my question really is is there some way to accelerate NEPA efforts or to streamline the program? In other words, you've heard me say repeatedly, I want to keep our key environmental priorities. I think we can do that consistent with getting the harvest up. But is there a way to accelerate or streamline the NEPA efforts beginning right away so the agency can meet that target of 3 billion board feet in fiscal year 2014?

Mr. TIDWELL. Senator, we've been working on those efforts. It's first of all to take a look at the entire landscape so that we do an environmental assessment or an EIS for much larger acres to get away from the 5 to 10 thousand acres and look at these hundreds of thousands of acres and do one document.

The other key part is through the collaborative efforts like you have there in the Blues there in Eastern Oregon and they're at Malheur. Because of that work we can reduce the amount of the number of alternatives that need to be considered because people work together and come to agreement about the type of work that needs to be done. Then we build the necessary mix of alternatives to be able to go forward and be able to address the impacts and make the decision.

So by taking this landscape scale approach, using our collaboratives to address a lot of the issues as we move forward with doing the analysis. That's the way that we're going to be able to get more work done.

The other thing is through our stewardship contracts. So that when we issue a contract to someone for 10 years they can rely that they're either going to have the work to do, the jobs are going to be created or that the Forest Service is going to have to then reimburse them. Because under that 10-year contract we're required to get our part of the job done so that they can get their work done and the jobs are delivered.

So those are the ways that we're moving forward. Yes, we've had to slow down a little bit this year with less resources, less crews. You know, this summer it will be out, you know, marking some of the sells. But the real NEPA efficiencies that we've been putting into place, they're just now starting to come onboard. That's why that I have the confidence that we can get back on track with our restoration strategy and actually do what the work that needs to be done.

There in your State, in Eastern Oregon, my folks tell me that to really get on top of what we need to do we probably need to double the number of acres that we're currently treating there. That through these collaboratives there's support to be able to do that. That's what it will take to actually restore those systems so that there's less impact from the large fires that we've had in the past.

I can go on. There's other states where we have this level of support to be able to do the work. That's what we have available for us today.

If we can just stay the course on this collaborative approach to be able to actually restore these forests in the way we're there. There is strong support for it. At the same time it's producing tens of thousands of jobs.

The CHAIRMAN. I'm going to direct the staff and, of course, work very closely with Senator Murkowski on this so we can start looking at ways to accelerate this kind of NEPA streamlining and ways in which we can protect the environmental laws and get the harvest up. I heard it again and again throughout these small timber towns in Eastern Oregon. They keep saying there's got to be a way for the agency to be able to implement projects and plan for new projects in future years.

So we're going to follow that up with you. I can tell you it will be a bipartisan concern in the committee.

Let me connect the dots on the hazardous fuels issue and see if we can walk through the implications. You've got the prospect of steep cuts to hazardous fuels and timber harvest. That's what Senators have been saying. I gather that was a significant topic when I was out.

You've got an inadequate number of planes to fight fires in the coming summer. You've got proposed cuts to personnel to fight fires. Now that looks, bad pun, like a pretty combustible mix.

What is the agency going to do to try to achieve those trio of objectives, given the fact that in the 3 areas the numbers are not moving in a direction that is favorable to us?

Mr. TIDWELL. The first with our preparedness resources we're going to mitigate that impact by using call when needed resources that we can charge to suppression which just increases the cost of suppression which will increase the need to transfer funds. But at least we'll be able to continue to respond.

With the hazardous fuels, that money is focused on the wild land urban interface. We're going to focus that 685,000 acres of work where we feel we can have the biggest return to help protect, you know, communities. At the same time with our integrated resource restoration proposal that's the funds that we will use to be able to do the hazardous fuels work in conjunction with the restoration work, you know, outside of the wild land urban interface.

So that's our/their approach. There's no question that there's more work that needs to be done. But I'll tell you it's, as everyone knows, we're in tough economic times right now. We had to make some tough choices.

But that's why when you look at our budget you need to look at all pieces of the request to see how it fits together, to be able to respond for us, to be able to move past where we are today and be able to move forward in FY 2014.

The CHAIRMAN. Let's just, by way of wrapping up, walk through where we are. I think you could hear the concern on the committee with Senators again and again coming back to the need to get the harvest up and our view that it can be done without ravaging the environmental laws. You have said, and it's something I surely agree with, that the collaborative approach, the kind of thing I saw again last week in John Day and Grant County, is the preferred way to go. We appreciate that approach.

On the stewardship issue I think you'll see significant support for that. The counties are so desperate now. There are some questions about how it ought to unfold. But there is strong support for that as well.

As you heard me say we're going to have the staff go back with you to try to find ways with the cost pools account, the minerals program, the land ownership program, to see if it's possible to squeeze and squeeze and squeeze some more in all of those areas in order to get more dollars for the timber harvest.

You heard me walk through, I think, the urgency of looking at ways to accelerate and streamline NEPA to try to respond to community concerns and figure out how with the hazardous fuels numbers that I just walked through with you that we can get through this fiscal 2014 fire season, which I am very concerned about given sort of the conflation of those 3 trends that strike me as very ominous.

This committee has always worked on these issues in a bipartisan way. We are going to continue to do it. We understand that for the short term we're going to have to have a renewal of Secure Rural Schools for at least a year as we try to put together a fresh approach in this area. But we must have that fresh approach.

Senator Murkowski, you know, said when people are hanging by their fingernails and they're out of, you know, fingernails. That's what we're seeing all over the rural West. These are communities that really see themselves if there isn't some bold action, you know, taken to bring more balance to our natural resource policies which I think the collaboratives let us do, the lights are going out. They're going to become sacrifice zones. They're, in effect, going to become ghost towns.

What Senator Murkowski and I have said on our watch is we're not going to let that happen. This is too important to the people we represent to let that happen. So I understand that all these budget matters are not solely within your domain. You, as usual, are pretty diplomatic because I know that if you were writing budgets you'd write them a little differently.

But the urgency of this is what we're concerned about. So we'll follow up in the areas that we talked about.

Senator Murkowski, anything you would like to add at this point? Last word for you?

Senator MURKOWSKI. Oh, probably not, Mr. Chairman, because you give me too much time to reflect. I want to join you though in your commitment to working on a way forward with the Secure Rural Schools and those communities that we do represent.

I guess what I'm mulling right now and we should always know better than to speak what's on our mind, but I guess I'm looking at your testimony, Chief, and listening to what you've said in the discussions here. I'm just so concerned that within the agency, within the Forest Service we've, kind of, lost the, we lost the initial focus of the Forest Service.

I think when most people think about the Forest Service they think of management of the forests. When they think of management of the forest you think about how you harvest it. When we think of management of our fisheries it's how we make sure that we've got sustainable fisheries for the years to come.

But I mentioned in my opening comments that this budget looks like it's more appropriate for within the National Park Service where there is no harvesting of timber because so much of what you're focusing on seems to be these other aspects of the forest and jobs for the communities around the forest, not necessarily in harvesting, but in tourism and recreation. As I mentioned that's not a bad thing, but that is one aspect of it.

There's been some discussion within our staff about maybe the Forest Service has kind of outlived its purpose. Maybe we need to look at this and take it out of U.S., excuse me, out of the Department of Agriculture and put it within the Department of Interior. You have certain aspects of it in terms of management of our lands like how BLM manages our public lands. The fire fighting aspect of it when you look at it from a budget perspective clearly about half your budget goes toward fire fighting. I mean is that something that goes into Homeland Security. I'm not so keen with that idea.

Again, I'm just, kind of, talking off the top here. But I just feel like we have moved so far away from what the original intent, the mission of the Forest Service is. It's the communities, the former timber communities, that I represent say this to me all the time. They say we're not really quite sure what the Forest Service does here anymore.

There's lots of Forest Service employees. We see a lot of them around and they are our friends and our neighbors and the coaches of our kid's teams. But we're not cutting any trees anymore. We're not seeing those timber related jobs.

So what is the purpose of the Forest Service? I always take them back to its multiple use. But if I can't confirm to them that that multiple use also contains a focus on harvesting of our timber they're having a tough time believing that multiple use is really what it once used to be.

I don't want us to get to the point where this term multiple use is thrown around like we talk about an all of the above energy policy or all of the above except the things that I don't want to include. Multiple use except the things that I don't want to encourage.

So I'd just like us to think about this, Mr. Chairman, as we move forward. Again, you represent some communities that have kind of gone through some of this transition over the years. But it's something for us to think about it. I know, Chief, you probably give a lot of thought to that as well.

So thank you for allowing me to ruminate a bit.

The CHAIRMAN. Thank you, Senator Murkowski.

I think, Chief, you heard the 2 magical words in this debate that go right to the heart of what this committee wants to do. It is consistent with this collaborative approach. That you have really, you know, championed.

I mean what our communities, the small rural communities in the West get up in the morning and say, we've worked together. This is what the Resource Advisory Committees are all about; we come together with this kind of clear mission that it's all about multiple use. What's happened over the years is it seems that instead of forestry and biologists and people, timber industry, envi-

ronmental folks all come together to practice multiple use it feels like we're running a lawyers full employment program where we just cannot consummate this kind of vision.

So when Senator Murkowski says the 2 magical words, multiple use, that's what the West wants. We think it's consistent with the kind of collaborative approach that you're talking about. Now what we've got to do is we've got to get into some of the specifics which is why I stressed accelerating and streamlining NEPA as one clear route to this kind of multiple use approach.

I suspect you'd like to have a chance to say something at this point. We're glad to let you have the last word.

Mr. TIDWELL. Mr. Chairman and Ranking Member Murkowski, thank you.

It is multiple use. That is what we strive to do, you know, based on what the public wants. We've spent a lot of time talking with our publics to find that balance within multiple use so that we can do it all.

We're right up there with the number of recreational visitors that come to the national forest as the Park Service has. That's always been a big part of the national forest. But it's also the management of these lands whether it's the mineral resources, whether it's the timber production, whether it's the energy production.

I mean that's part of the national forest and grasslands. We do it all. That's the difference.

When I look at where we are today from where we've been and I've been at this now for 35 years. I see for once in my career that there is an understanding of a need for us to restore these forests. Yes, I've identified over 12 million acres that we need to do timber harvest on to be able to get that work done.

We also need to maintain the timber industry and whether that's in Southeast Alaska for the jobs that are needed up there or if it's in the Chairman's State. There is a recognition of that to be able to find the balance to be able to do the amount of work that we need to restore the forest and be able to maintain industry so there's somebody to be able to do the work because otherwise there's no way the public is going to be able to pay for it. The costs would just be too high.

So for once we finally, to my view, have reached a place where we can really make a difference. If we can just move forward with the work that we're doing and to be able to get the budget like we're requesting in 2014 to be able to support that.

When I look back on what's happened, the other day I was looking at since 1998 our national forest system, the employees that are our foresters, our engineers, our folks that work in recreation, our staffing has gone down by 35 percent in all of those. Then when it comes to timber management it's gone down 49 percent. But at the same time we're producing about the same as what we were doing in 1998. The timber production is down a little bit, but if we get back on accelerated restoration we'll be right there.

Those are the efficiencies that we've gained. But those have been big shifts, you know, to the agency. This has gone to the fire. There's just no question. I mean, that's been something that has had an impact on this agency because at the same time our staffing in fire has gone up 110 percent. We need to be able to do that to

respond to the fire seasons that we're having today that are so different than when I was a fire fighter and through the majority of my/our career.

Those are the sort of things that we need your help and support on to be able to define some ways to move forward. But I'll tell you I really do believe that we have the best chance to be able to just reframe this debate around natural resource management and our national forests once and for all with the level of interest, the level of understanding that exists in our communities today. When I go out there and I can see environmental groups that will stand up with us in a court of law supporting a timber sale. Five years ago there's no way I would ever have thought that would happen.

But today that's the change. The idea that when it comes to species management like the spotted owl that for so many years it was like no, timber harvest impacted owl habitat. Today the Fish and Wildlife service acknowledges that in our dry forest type we need to get out there and restore those forests because fire is the No. 1 impact to spotted owl habitat.

Those are the change conditions that we have today if we can just take advantage of it.

So you've been very gracious with your time. I appreciate the opportunity. I cannot wait to continue to work with you.

The CHAIRMAN. Chief, thanks very much. I remember when you told me that the Fish and Wildlife service, in your view, was advocating a higher harvest in order to protect the owl. I was just trying to imagine how in rural Oregon people would fathom something like that.

So there will be plenty to talk about in the days ahead.

Senator Murkowski, we're going to work on these issues together.

Chief, we'll be following up in the areas that we talked about. Thank you as always for your response. This is the first hearing on the budget and you made it possible because you were so willing to come together quickly and we appreciate it.

With that the committee is adjourned.

[Whereupon, at 11:47 a.m., the hearing was adjourned.]

[The following statement was received for the record.]

WESTERN GOVERNORS' ASSOCIATION,
Washington, DC, April 16, 2013.

Hon. THOMAS J. VILSACK,
Department of Agriculture, Jamie L. Whitten Building, 1400 Independence Avenue,
SW Washington, DC.

DEAR SECRETARY VILSACK,

We have been concerned for some time that federal forest lands throughout the West are experiencing serious environmental stresses that affect the health and vitality of these ecosystems. They are overgrown; they exhibit all the symptoms of an unhealthy ecosystem; and they demand urgent attention. Now is the time for the U.S. Forest Service to accelerate its efforts to promote sound forest management policies that maintain ecological balance.

As you know, millions of acres in states throughout the West have fallen victim to bark beetles and other insect and disease plights. These epidemics, an overgrowth of vegetation, and the persistent drought have increased the number and complexity of wildfires, leading to exponentially higher suppression costs. The workload and costs to restore these forests and reduce the threat of catastrophic wildfires is staggering and necessitates an immediate commitment of financial and other resources. Western Governors have passed numerous policies acknowledging the extent and severity of our forest health crisis. We have met with you and your staff on many oc-

casions and shared our concerns, yet we remain dissatisfied with the pace of response.

It is our understanding that in 2010 only about 30 percent of the total U.S. Forest Service budget was allocated to manage our national forests. In the mid-1980s, that number was closer to 70 percent. Most of the agency's budget is spent on fire suppression, administrative support, research, and other programs. The current approach to resource allocation results in fewer funds available to manage the more than 193 million acres of national forests for forest health and fuels reduction. To that end, we request a specific accounting of the areas in which these funds have been spent. We further request that the U.S. Forest Service work to put the private sector to work on vegetative management activities on National Forest lands throughout the West.

We support the goals of the U.S. Forest Service's Restoration Strategy, which will increase restoration acres while utilizing the wood produced by these efforts. Achieving the goals of this strategy will require developing and implementing new, more efficient ways of doing business and forest products industries are an integral part of this effort. We request that the U.S. Forest Service provide state-by-state specifics on how many additional acres it plans to treat through the Restoration Strategy over the next five years, including how much biomass, board feet, and other forest health and restoration projects are envisioned. We would also like to work with you to convene a forest industry task group to identify ways that the timber industry can assist with forest management. Private sector forest professionals are a cost-effective tool that the U.S. Forest Service can utilize to handle this immense workload. They stand ready and willing to do so.

By improving forest management through the use of the private sector, we also help support our declining forest industry and suffering rural economies. Our forest industries are already faced with low margins and limited markets; if we lose these industries, any restoration efforts will suffer a significant blow. As Governors, we support the type of proactive forest management that leads to healthy rural communities, improved forest conditions and increased utilization of wood products as outlined in the U.S. Forest Service Restoration Strategy. In addition, we are committed to successful implementation of the Western Regional Action Plan—National Cohesive Wildland Fire Management Strategy. We support efforts to fully utilize existing mechanisms and provide additional authorities to the U.S. Forest Service, including Stewardship End-Result Contracting, grants, agreements, local labor force, opportunities to increase biomass utilization, and Good Neighbor policies.

With continued uncertainty due to sequestration and the potential for further federal budget cuts, we recognize the financial challenges involved in such an endeavor, but believe that engaging the forest products industry as a partner can help alleviate some of these challenges. Thank you for your consideration.

Sincerely,

GARY R. HERBERT,
Governor, State of Utah, Chairman, WGA.

JOHN HICKENLOOPER,
Governor, State of Colorado, Vice Chairman, WGA.

APPENDIX

RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR WYDEN

Question 1. At the hearing, you indicated that the Forest Service has reduced the unit cost of generating a million board feet of timber by 23%. Can you please provide further information about that and how have those cost reductions been brought about?

Answer. When adjusted for inflation, funding for timber production has been reduced by over \$185 million since 1998 and there has been a reduction of 3,171 full-time equivalents working in forest management. During this same time, the agency's unit costs for producing timber decreased by 23 percent from \$203/MBF (thousand board feet) to \$157/MBF, adjusting for inflation.

The Forest Service is becoming more efficient through improvements in our National Environmental Policy Act analyses and timber sale preparation program, an all-lands restoration approach, and collaboration with partners, agencies, and Tribes. The Forest Service continues to build on these efficiency gains and seeks further improvement through the Integrated Resource Restoration pilot program, stewardship contracting, and collaborative landscape scale restoration.

Question 2. We all know the present airtanker fleet is in bad shape-to say it lightly. I appreciate you're requesting additional funding to modernize these important resources, but your proposal to modernize the fleet still remains vague. What models and quantity of planes would comprise, regardless of budget, an ideal fleet?

Now given, that the Agency operates within budget constraints, can you tell us what models and quantities of planes you are considering? Have you narrowed down some of your options since the release of the Large Airtanker Modernization Strategy?

Answer. In an ideal fleet, the Forest Service would focus on an aircraft designed and built for the airtanker mission in the wildland firefighting environment. This would be a large airtanker that is designed for the maneuver load impacts of the airtanker mission or similar missions, that is turbine (turbo-prop or turbo-fan) powered, and that can cruise at a speed of or greater than 300 knots (345 miles per hour). The aircraft should have a minimum retardant capacity of at least 2,000 gallons; 3,000 gallons or more is preferred.

The agency continues to evaluate models of aircraft suitable for large airtankers as part of the Next Generation airtanker contracting process-based on capability, effectiveness of the retardant delivery system, and cost. Models of aircraft that are being and have been evaluated under the Next Generation contracts include the BAE-146, the MD-87, the C-130J and the DC-10.

RESPONSE OF TOM TIDWELL TO QUESTION FROM SENATOR LANDRIEU

Question 1. A few years ago, you made an announcement that USDA would promote wood products in building construction and would prefer wood in your own buildings. How many buildings have been built that have used wood since this announcement? How many buildings do you have in the pipeline and are there plans to use wood? Will these buildings use the LEED rating system-which discourages the use of wood products?

Answer. The Forest Service uses wood products frequently in construction and we estimate that wood makes up approximately two thirds of all building materials used for new facilities and large scale renovation projects. In December 2011, the Forest Products Laboratory published "Science Supporting the Economic and Environmental Benefits of Using Wood and Wood Products in Green Building Construction." This report summarizes the scientific findings that support the environmental and economic benefits of using wood and wood products in green building construction. The publication recognizes that wood is a renewable resource, helps mitigate

climate change, promotes healthy forests, and is a green construction material. Since 2011, when the USDA policy on utilizing wood was formally directed, the following new buildings have been built:

- Angeles National Forest Supervisor Office, CA
- Camino Real Ranger Station, Carson National Forest, NM
- Corvallis Forest Science Laboratory and Siuslaw National Forest HQ Office, OR
- Arcata Lab, CA
- Juneau Lab, AK
- Wood Products Insect Laboratory, MS
- White Mt. Forest Supervisor's Office, NH
- Francis Marion Ranger District Office, SC
- Deschutes Forest Supervisor's Office, OR
- Appalachian Ranger District Office, NC
- Walker Ranger District Office, MN

We have an estimated five buildings planned. All of these buildings will use wood. The facilities currently in design that will be going for Green Globes certification are:

- Research Triangle Park Forestry Science & Assessment Center, NC
- Enoree Ranger District Office, SC
- Missoula Forestry Sciences Lab Renovation and Addition, MT
- McCall Administrative Site Consolidation (Payette Forest Supervisor's Office & Ranger District Office), ID
- Clinch Ranger District Office, VA

While the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification does give points for the use of wood, we prefer to use the Green Globes certification. New Forest Service building construction projects for regional offices, supervisor's offices, district offices, visitor centers, and research offices or laboratories where the building is 10,000 gross square feet or greater in size must be registered and certified using either the LEED rating system (minimum Silver certification), Green Globes (minimum Two Green Globes certification), or other third-party certification system. All other buildings, whether new or major renovations, must be designed to incorporate sustainable principles into the systems and components appropriate to the building type and project scope. This requirement applies to buildings on an individual basis, and the most recently issued version of the third-party certification system must be used. We encourage construction projects to be designed and constructed with domestically harvested wood products, ideally locally sourced, and from National Forest System lands, whenever practicable and feasible.

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR CANTWELL

Question 1. Some of my constituents have raised concerns about the implementation of the Small Business Administration's 30-70 rule on set-aside sales that requires not more than 30 percent of the timber volume be resold to large interests. It is my understanding that when the Forest Service offers a timber sale, it appraises the sale for its potential market value and sets the minimum bid that it will accept based on that appraisal. And one factor in the appraisal is the cost that the purchaser (small or large) will absorb to bring the timber to a manufacturing facility. Higher haul-cost results in lower profits for the purchaser. Appraisals are made to the nearest mill, which in most instances is a large mill because the number of small business mills has declined. Why does the Forest Service not appraise these set-aside sales to the nearest small business mill that would more accurately reflect the actual cost? Small businesses will not bid on set-aside sales if the cost for hauling the timber to a small business mill is not feasible.

Answer. The Forest Service Small Business Timber Sale Set-Aside Program, developed in cooperation with the Small Business Administration, is designed to ensure that qualifying small businesses have the opportunity to purchase a "fair share" of National Forest System (NFS) sawtimber offered for sale.

The Forest Service recognizes that changing the appraisal point for set-aside sales may better reflect the transportation costs for some small business sawmills and independent loggers, allowing them to bid on more sales.

With the number of mill closures over the last few years, we need to evaluate our current policy to see if we need to adjust our appraisal process to factor in the loss of small business mills. If we determine a need for change, we will conduct a public review and comment process before any changes are made.

Question 2. Timber sales must be set aside for small business when its participation falls below a certain threshold. The Forest Service calculates this participation level based on small business participation in full and open sales over the previous five year period. The Forest Service, however, does not count the timber volume on Stewardship contracts, which impact the future market share calculation for conventional timber sales. It is my understanding that stewardship timber sales have grown in every region each year; and some market areas only have Stewardship sales, resulting in a continuous small business timber purchase deficit. Why does the Forest Service not count the timber volume purchases by small business on Stewardship Timber contracts when it calculates the small business set-aside?

Answer. The Small Business Administration (SBA) and the Forest Service agreed not to include volume from stewardship contracts or Integrated Resource Timber Contracts (IRTC) in the Set-Aside Program when stewardship contracting was initially authorized. SBA and the Forest Service also agreed to track the volume of sawtimber sold through IRTCs. The use of IRTCs has increased to the extent that, in some market areas, only stewardship sales are being offered; thus, no sales are available to be set-aside for preferential bidding by small businesses when the Set-Aside Program is initiated (“triggered”) on a market area. SBA has requested inclusion of the Stewardship Integrated Resource Timber Contracts in the Small Business Timber Sale Set-Aside Program.

We plan on beginning the public review and comment process to consider adding IRTC to our SBA Set-Aside Program as soon as stewardship contracting is reauthorized.

Question 3. Trails on national forest lands serve the recreational needs of about 50 million hikers, cross country skiers, horseback riders, off-road vehicles, bicycles and other recreationists every year. These trails improve health and fitness, provide access to natural areas and beauty, and increase community pride. They are also an economic driver. According to the Outdoor Industry Association, trail-based recreation supports 768,000 jobs, and contributes \$80.6 billion to the nation's economy annually.

Unfortunately, the condition of these trails is, in some cases, not very good. Currently, only one-third of all National Forest trails are maintained at a minimum standard condition. This has resulted in a range of impacts, including unsafe trails, ecological degradation and loss of access.

One of the main reasons for trails being in poor condition is that funding for trails maintenance has not kept up with demand. In 1980, the Forest Service budget contained \$793 in maintenance funding per mile of trail. However, in 2013 we will spend only about \$491 per mile of trail with sequestration—a 38% decrease in trail funding despite continued growth in trail length and visitor hours. The result is a trail maintenance backlog that has grown steadily during the last decade and now stands at \$314 million.

What is your strategy for addressing the trail maintenance backlog, and will this budget provide you with the resources to reduce the backlog in 2014?

Answer. The FY 2014 President's Budget proposes \$82,531,000 for Trails. Constrained budget authority, including the sequestration, will necessitate prioritization of available resources between all of the critical programs that the Forest Service delivers including the Trails program. We continue to strengthen partnerships in trail stewardship, particularly those that help deliver youth programs. We will also continue to focus on management and protection of the National Scenic and Historic Trails.

We propose funding in FY 2014 to maintain and repair approximately 48,784 trail miles, including repair and reconstruction of bridges and trails damaged by natural disasters. Approximately 20 percent of this work will be accomplished through the use of volunteers. In FY 2014, the agency will address approximately 20 percent of the total trail system miles through a unified program of work; however, it will not reduce the backlog of trail maintenance.

In FY 2012, we maintained 59,274 miles of system trails, out of a total of over 158,000 miles. When trails receive adequate maintenance, we can provide a higher quality experience for visitors to the national forest.

Question 4. The Legacy Roads and Trails Program has been in existence for five years, and there is a new report by two environmental groups that says the program has been a huge success and is moving the Forest Service's restoration agenda forward. The President's FY 2014 budget request proposes to subsume the Legacy Roads and Trails Program into the Integrated Resource Restoration (IRR) program.

Question 4a. Can you discuss the Legacy Roads and Trails role in the overall restoration agenda of the Forest Service and the agency's plans for ensuring this road and trail work continues to remain a top priority moving forward?

Question 4b. Despite the program's five-year record of successful accomplishments, it seems the President's budget is essentially a proposal to cut or eliminate Legacy Roads and Trails by subsuming it into the IRR. What benefits would there be if this program was kept independent, as a complementary program to the IRR, similar to the current process for the CFLRP?

Answer 4a. The Legacy Road & Trail program has played an important role in the agency's overall restoration efforts by concentrating funds on the repair and maintenance of National Forest System (NFS) Roads and Trails that are contributing to watershed degradation, and on the decommissioning of roads and trails that are not needed for the management or enjoyment of NFS lands.

As we move this program into the Integrated Resource Restoration (IRR) program, these funds will continue to be focused on important resource restoration work, while allowing local line officers to direct funding to the most urgent restoration needs.

Answer 4b. Activities previously accomplished under the Legacy Roads and Trails activity would continue under the IRR, including urgently needed road and trail decommissioning, long-term road storage, repair, and maintenance and associated activities. Road and trail repairs required due to storm disturbances in local communities that are urgently needed to protect community water resources are also an important consideration for funding within IRR.

We will continue to examine the benefits of the Legacy Roads and Trail budget line item by monitoring the performance of road and trail related restoration work completed with all funding sources. The agency will compare past accomplishments with Legacy Road and Trail funds to current and future accomplishments with IRR funds.

Question 5. I am also interested in how IRR would be implemented in the Tongass National Forest in southeast Alaska. Over the past five years, the Forest Service has invested \$7.9 million annually in tourism and recreation, a billion dollar industry that employs 10,200 people. The Forest Service has invested \$8.6 million annually in fishing, another billion dollar industry that employs 7,200 southeast Alaskans. And the Forest Service invested \$23.4 million annually in timber and roads, a money-losing industry that only employs 107 people. That translates to spending \$775 per year per tourism job, \$1,194 per year per fishing job, and \$218,692 per year per timber job.

Question 5a. How would this funding allocation change if IRR is implemented nationally?

Question 5b. Because IRR is designed to prioritize restoration and fire resiliency (and fire is not an issue in the Tongass), how do you anticipate the effects of IRR in the Tongass? Do you anticipate that funding will leave the Tongass for other forests?

Question 5c. Do you anticipate that the Forest Service would use its discretion to increase funding for fish, wildlife and tourism, which support the region's economy?

Answer. Funding for forest products, legacy roads and trails, wildlife and fisheries habitat management, vegetation and watershed management, and hazardous fuels in non-Wildland Urban Interfaces (non-WUI) contribute to restoration on National Forest System (NFS) lands. With national Integrated Resource Restoration (IRR) authority, allocations would reflect priority needs for landscape and watershed restoration that meet the social, ecological, and economic aspects of managing the NFS. Under IRR, instead of funds being specifically allocated through individual budget line items, these activities would be funded through the single budget line item for IRR. Line officers would now have the flexibility to fund work that is concentrated where a combination of restoration issues can be addressed, and with the blend of activities necessary to sustain, maintain, and restore ecological integrity. Through the pilot authority, the agency is working to allocate IRR funds to meet restoration needs, and no longer allocating funds in the traditional budget line items. With a nation-wide IRR appropriation, the agency would however, continue to fund and support core and historical operations and management functions to prevent the decline in the health and condition of the national forest and grassland ecosystems.

IRR is a budget consolidation tool designed to help promote restoration activities on NFS lands. Management of the non-WUI is included along with several other activities in IRR. The regions will be allocated funds based on restoration work that can be accomplished. The regions will determine what mix of activities must be implemented to achieve high priority work, as not all restoration activities are applicable in every location. Management of non-WUI areas is just one way to achieve restoration goals. On the Tongass National Forest, the current budget emphasizes the forest programs for which continued viability and growth will be critical in the transition effort including visitor services, timber, restoration, and fisheries. In order to further build on recent restoration success, such as the Harris River restoration

project, the Region and the Tongass National Forest are also aggressively pursuing outside partnership support to increase the level of restoration work. Due to the critical importance of salmon populations to the economic health of southeast Alaska, the Tongass National Forest has worked with a number of partners to develop a detailed Tongass five-year Watershed/Fish Restoration Plan, for pursuing restoration of several important salmon bearing streams.

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR SCHATZ

Question 1. Hawaii's forests are home to more than 10,000 native species including over 60 endangered avian species that rely upon these tropical forested areas. Still, Hawai'i is one of eight states without a National Forest.

Can you please speak to the value of tropical forest conservation for all Americans? Further, could you please discuss the importance of programs such as the Land and Water Conservation Fund in helping to protect more tropical forest lands?

Answer. The Forest Service recognizes the importance of tropical forest conservation and continues to work in Hawaii through its Research and Development and State and Private Forestry Programs. In 2012 the Forest Legacy Program, which is funded by the Land and Water Conservation Fund (LWCF), provided a \$2 million grant for the purchase of a conservation easement to protect over 3,000 acres on the Hamakua Coast on the Big Island.

Question 2. Since 2007, the Forest Service has maintained the Hawaii Experimental Tropical Forest (HETF), one of the few U.S. research sites dedicated to enhancing our understanding of conservation biology and tropical forest management. The research at HETF is essential to advancing our understanding of the impact of environmental change on our tropical forests, combating the effects of invasive species, and preserving and protecting Hawai'i's delicate environment.

How does the President's Fiscal Year 2014 budget prioritize and support the U.S. Forest Service's tropical forestry research, including activities at the Hawaii Experimental Tropical Forest?

Answer. The President's Budget supports tropical forestry research in Hawaii and the Asia-Pacific region at the same level as FY 2013, including efforts to (1) determine the potential impacts of and possible mitigations for climate change on terrestrial, riparian, aquatic, and near-shore marine ecosystems of high and low-lying islands, (2) develop improved practices and decision support tools to better manage at-risk species and landscapes, (3) increase the capacity of local agencies and governments to effectively deal with resource management challenges, and (4) enhance understanding of cultural knowledge and practices and their integration into research and management.

Our Facilities Program priorities for FY 2014 are to support the safety and health of all users of our existing infrastructure and to judiciously defer all new construction, including phased projects that include new construction to subsequent years. The development of the Pu'u Wa'awa'a research area infrastructure is a phased project including site development, utilities and buildings. The site survey was completed in FY 2013 and the National Environmental Policy Act (NEPA) analysis is in progress. This site remains a priority but further construction is deferred in FY 2014.

Question 3. Hawaii's pioneering research on tropical forestry also provides the United States with the knowledge and expertise about tropical forest management that it can share with its partners around the world to help them improve their conservation and management practices. This research is particularly important as the United States seeks greater engagement with countries in the Asia Pacific, including Indonesia and the Philippines, and could be used to broaden and deepen our foreign relations with countries in the region around tropical forest conservation and restoration.

How does the U.S. Forest Service leverage its tropical forestry research, including the research developed at the Institute of Pacific Islands Forestry, to help America's partners be better stewards of their tropical forests? What authorities might improve the U.S. Forest Service's ability to share its research and cooperate with other countries?

Answer. The Forest Service seeks to enable its Pacific Basin partners by hands-on mentoring and capacity building. Staff from the Institute of Pacific Islands Forestry:

- Work with and provide mentoring to island foresters in the design, execution, analysis, and interpretation of research studies aimed at answering real-world resource management questions asked by local managers. Forest Service scientists assist foresters with integrating research findings into management plans.

- Conduct introductory and field sampling workshops to engage host countries in the Sustainable Wetlands Adaptation and Mitigation Program. It is designed to provide policy makers in the Asia/Pacific region with credible scientific information needed to make sound decisions related to the role of tropical wetlands in climate change adaptation and mitigation strategies. It is a collaborative effort of the Forest Service, the Center for International Forestry Research (Indonesia), and Oregon State University with support from the U.S. Agency for International Development.
- Engage in the U.S. Department of Defense (DOD) research funded by DOD in Hawaii to understand issues of fire management and invasive species. Since Hawaii is home to so many life zones and ecosystems representative of other tropical locations, Forest Service researchers use findings to interact with a broad range of tropical land managers and researchers from the Asia-Pacific region and new world tropics.
- Use Hawaii's model ecosystems to understand how warming and drying affect ecosystem processes. This research is leveraging participation in international climate change discussions about managing not just tropical forests but forests in general in response to changing climate.

The Pacific Southwest Region's State & Private Forestry and the Washington Office's International Programs established a program for Professional Internships in Pacific Terrestrial Island Ecosystem Management. The focus is twofold: (1) provide low-cost, on-island continuing education courses in resource management and related subjects and (2) provide intensive professional internships.

The Forest Service needs no additional authorities to share its research and cooperate with other countries.

Question 4. Hawaii's tropical forests are important natural and cultural resources, and Native Hawaiians have employed conservation practices that can be very informative in the context of modern forestry management and science. Can you speak towards the importance of outreach to native communities and outline some particularly helpful programs or initiatives in this regard?

Answer. Outreach to native communities is essential to understand and, where possible, integrate into modern management the cultural practices that supported sustainable use of natural resources before European colonization, and to develop the next generation of native natural resource managers. The Forest Service is an active partner or participant in multiple educational and outreach ventures in Hawaii, including the following:

- The Hawaii Youth Conservation Corps is supported in part by Forest Service dollars (\$51,000 in 2012), with non-Federal matching funds provided by Kupu, the local non-profit organization that administers the Hawaii YCC program.
- Scientists with the Pacific Southwest Research Station's Institute of Pacific Islands Forestry provide AmeriCorps interns with mentoring and hands-on experiences in forestry research and education.
- Forest Service scientists and professionals mentor 10 to 15 undergraduate students each summer in partnership with the University of Hawaii at Hilo's Pacific Internship Programs for Exploring Science.
- Over 700 Hawaii K-12 children have participated in the Forest Service's More Kids in the Woods-Starts with a Seed program, which is aimed at increasing their outdoor experiences and environmental literacy.
- Over 200 K-12 kids at the Laupahoehoe Community Public Charter School participated in the GreenSchools! Program through a grant from the USDA Forest Service, including energy audits of the school and learning about high efficiency alternatives for the school.
- The Forest Service co-sponsors Project Learning Tree workshops for educators with a focus on native forest ecology and restoration.
- Forest Service staff, in partnership with Na Pua Noeau, a University of Hawaii Native Hawaiian Gifted and Talented Program, lead two-week summer courses focused on topics such as climate change, human impact on the environment, natural resource management, ahupua'a land management systems, and the importance of preservation, conservation, and restoration.

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR UDALL

Question 1. Chief Tidwell, please clarify how you intend to meet the goals of treating more acres as stated in the Forest Service's report, Increasing the Pace of Restoration and Job Creation on National Forests, especially in the wildland urban interface, with a 37% reduction in funding in the hazardous fuels program?

Answer. Restoration work is accomplished with a number of funding sources, including Integrated Resource Restoration (IRR) as well as Hazardous Fuels. The President's Budget continues to propose full implementation of IRR as a way of improving efficient delivery of many National Forest System programs throughout the Nation. The reduction in fuels funding will result in fewer acres of hazardous fuels treated, but still allows us to treat 685,000 of the highest priority acres. This reduction is just one of many difficult tradeoffs that had to be made, while fulfilling our commitment to request funding for the 10-year average for suppression funding.

Question 2. Chief Tidwell, thank you for such a strong commitment to the Land and Water Conservation Fund (LWCF) and the Forest Legacy Program in the 2014 budget. As you know, LWCF and Forest Legacy are critical tools that allow for the strategic acquisition of parcels within National Forest boundaries. By connecting landscapes, these parcels will provide management efficiency, protect water quality, and make it easier to fight and contain wildfires. How can we ensure that the three Colorado projects on the FY 14 budget list—the Uncompahgre National Forest, the Continental Divide National Scenic Trail, and the Sawtooth Mountain Ranch Forest Legacy Project—will be funded and completed this year so we can better manage our forests?

Answer. The Land and Water Conservation Fund (LWCF) acquisition projects proposed in the FY 2014 President's Budget are the highest priorities for the Forest Service for FY 2014. The Forest Service is prepared to proceed with the field work necessary to complete a Federal acquisition of the Continental Divide National Scenic Trail project and the Ophir Valley project on the Uncompahgre National Forest. The Forest Service and the State of Colorado stand ready to complete these acquisitions as soon as an appropriation is made available.

The Forest Legacy project list published in the FY 2014 President's Budget is in priority order, with the Sawtooth Mountain Ranch project ranked 19 out of 28 projects. Ultimately, the number of Forest Legacy projects that receive funding will be dependent upon the amount of money that is appropriated for the fiscal year in question. The Forest Legacy grants provided to the States are for an initial period of two years. Therefore, if the Sawtooth Mountain Ranch project receives funding in FY 2014, we do not expect that it would close in the same fiscal year. However, we will provide whatever assistance possible to help Colorado close as quickly as is possible if this project receives funding.

Question 3. Chief Tidwell, I am concerned, as I'm sure you are, about the chronic underfunding of LWCF, whose Outer Continental Shelf revenues are deposited into the U.S. Treasury each year but are unfortunately spent in unrelated ways. How will you work with me and my colleagues to ensure that these dollars go where they belong to conserve the places we need protected?

Answer. The FY 2014 President's Budget proposes \$177 million in Land and Water Conservation Fund (LWCF) funding for the Forest Service, with \$84.8 million for the Forest Legacy program and \$92.3 million for the Land Acquisition program. Of the \$177 million total, \$118 million would be discretionary funding and \$59 million is a new proposal for mandatory funding to be transferred from the Department of the Interior (DOI).

Mandatory funding will allow the Agency to engage in a multi-year planning process that will strengthen local and community partnerships in conservation and optimize valuable investments by leveraging other Federal and non-Federal funds. Mandatory funding will provide the financial certainty that will keep the interest of partners and landowners which would otherwise be lost to multi-year delays and more attractive offers from developers.

The increased funding of LWCF is a key component of the President's America's Great Outdoor (AGO) Initiative. AGO also emphasizes increased coordination across Federal agencies and with State and local governments to ensure the most important areas are conserved. To promote increased coordination, the FY 2014 President's Budget proposes that \$57 million of the Forest Service's \$177 million LWCF funding support Collaborative Landscape Planning (CLP) projects. Through CLP, the Forest Service is working with DOI and its bureaus to identify landscapes where the agencies can collaboratively respond to locally supported planning efforts to protect critical ecosystems before fragmentation occurs.

Conserving large-scale landscapes provides multiple resource and economic benefits to the public, including cleaner drinking water, recreational opportunities, reduced wildfire risk, protected habitat for at-risk and game species, and jobs generated on and off forests and grasslands. Acquiring these lands will reduce expenditures associated with boundary management and fire suppression for the Forest Service and surrounding communities and will increase public access to and enjoyment of public lands.

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR MURKOWSKI

Question 1. Please explain how sequestration and the budget rescission will impact your equipment purchases, contracting of aircraft and helicopters, and the number of firefighters you will have available this fire season. Is the agency adequately prepared to handle another fire season, like the one it faced in 2012, why or why not?

Answer. The sequestration of funds will directly impact our ability to maintain existing firefighting capability. Specifically, firefighting resources could be reduced by 500 firefighters, and 50 to 70 engines. We will ensure adequate aerial firefighting and other resources during 2013 by using additional call-when-needed (CWN) aircraft, engines, and crews, which can be charged to suppression. CWN resources average 150 to 200 percent of the cost of exclusive use resources, thus potentially increasing our suppression costs for FY 2013. In addition, suppression is funded below the 10-year average, increasing the chances that we will need to transfer funds from other accounts to pay for firefighting.

Question 2. Modernizing the firefighting fleet is important to ensuring the agency has the capacity to fight wildland fire. This committee has been very concerned about whether the Forest Service has a viable, cost-effective strategy for replacing the legacy fire air-tankers. I do want to recognize that you have included a request for \$50 million for air-tanker modernization and I commend you for including that. If it does get funded, how will those funds be expended?

Answer. The additional funding will be used to cover a portion of the increased costs of the next generation large airtanker contract costs as well as some of the costs of converting the seven C-27Js from a military mission to the airtanker mission.

Question 3. In your budget justification, the Forest Service includes a table outlining the potential maximum number of firefighting aircraft resources that may be contracted. Included in this table are C27Js which you have characterized as a medium airtanker that would have a different operational mission than the large airtankers. If you are able to obtain the C27Js from the Department of Defense, what mission would these aircraft fulfill? How many of those aircraft would be utilized to drop retardant and how many would be utilized to deliver firefighters (smokejumpers) to fires? How much would it cost the Forest Service to bring these C27Js online to fight fires? How would the Forest Service operate and maintain these aircraft? What are the expected operation and maintenance costs of C27Js?

Answer. The seven C-27Js would be operated as medium airtankers (as a component of the overall airtanker fleet) and carry the same retardant load as our legacy P2s. The C-27J aircraft provides a modern (2 years old or newer) aircraft capable of multiple wildland fire missions including aerial application of fire retardant, smokejumper deployment, cargo delivery for fire crews, and transport of incident management teams. We are still working to develop cost estimates for these aircraft.

Question 4. In 2009, Congress enacted the FLAME Act to establish a reserve fund in the treasury to provide a mechanism to address the escalating costs of emergency fire suppression. The idea was to allow the agencies to fight major fires without taking the drastic step of transferring funds from other essential non-fire programs. The FLAME fund was supposed to be funded in addition to the suppression account which has been funded using the 10-year rolling average. In this budget, however, you propose to take the suppression account and FLAME together to fund the 10-year rolling average of suppression costs. Why is the Forest Service including the FLAME Fund to fund the 10-year average of fire suppression costs?

In your testimony at the hearing you stated that: "the FLAME Act has not had the success we had hoped for." What did you mean by this statement? Please explain.

Answer. Using the 10-year average for funding fire suppression is based on long-standing practice and an agreement between the Administration and Congress, and is in line with other types of calculations done to predict funding needs for similar types of programs. However, the Administration recognizes the increasing instance of severe fires and the budget impacts that have resulted from the cost of suppressing those fires. Other methodologies for calculating fire suppression funding are being explored. We will continue to work with the Office of Management and Budget and Congress to identify appropriate ways to budget for the increasing costs of wildfire suppression and preparedness.

The FLAME funds were designed to pay for the cost of large and complex fires and as a reserve when suppression funds in Wildland Fire Management are exhausted. The FLAME Act indicates that the request for a FLAME fund should be based on an estimate of the amount needed for fires that meet the size and severity

criteria in the Act. The FY 2012 request for FLAME was based on previously designated FLAME fires and subsequent requests were based on this level.

Question 5. I understand that turning the Stewardship Contracting authority into a permanent authority is a top priority of the agency. The data for FY 2012 suggests that fully 25 percent of all of the saw timber volume offered by the Forest Service was through stewardship contracting. Back in 2006 your agency published draft regulations to ensure that sawtimber volume offered through stewardship contracting would count towards the Small Business Set-Aside program and that you would eliminate the Structural Change Re-computations in the existing Small Business Timber Sale Set-aside Program.

Now that more than a quarter of the saw timber offered by the Forest Service is transacted through stewardship contracts and you are seeking to make this a permanent authority; when are you going to publish the final Stewardship/Small Business Set-aside regulation? Will you commit to me that these regulations will be published in the Federal Register within the next 60 days in a manner that reflects the proposal released in 2006?

Answer. The Forest Service published a Proposed Directive and request for public comment on August 1, 2006, regarding proposed changes to its Small Business Timber Sale Set-Aside Program (Set-Aside Program) direction. The proposed changes included removing the structural change recomputation requirements, and subjecting Stewardship Integrated Resource Timber Contracts (IRTCS) to the Set-Aside Program procedures except for the Small Business Administration's (SBA) 30/70 rule requirements. Per SBA's regulations, no more than 30 percent of the included sawtimber volume on a set-aside sale may be delivered to other than small business. Comments to the proposed changes were generally split along industry size class. Since that time, new issues have arisen, such as appraisal point (i.e. appraising all set-aside sales to the nearest small business mill versus appraising them, per current policy, to the nearest mill regardless of size class). While the agency cannot commit to a specific time frame, these new issues are being considered.

Question 6. The Committee has been informed that challenges still remain and future actions at the federal level may be necessary to better coordinate the approval process for the continued operation of existing hydropower projects and support for growth of new hydropower. Specifically, I have been informed by hydropower owners and operators that federal agencies, including the Forest Service, continue to assert and exercise mandatory conditioning authority over lands outside of their jurisdiction and without a connection to the project. Furthermore, there are cases where two or more federal agencies, contained within different departments, regulate the same activity under the relicensing process for a single hydropower project. Often, this results in conflicting requirements on the owner/operator that increase both delays and project costs.

What steps can the Forest Service take to promote greater efficiency, predictability and balance in the process for relicensing hydropower projects—both within the agency and in coordination with other agencies?

Answer. The Forest Service continues to coordinate with other Federal and State agencies to provide predictable information to support the delivery of an efficient and predictable process for relicensing hydropower projects and to support negotiations towards multi-party settlement agreements.

Nationally, we are taking steps with the Bureau of Land Management (BLM) to share energy program staff and to increase efficiency and communication between agencies. In FY 2014, we are proposing to add a second energy position in the headquarters staff to increase efficiency at processing. With BLM, we train our agency energy coordinators together. We are attending energy conferences to enhance our understanding and relationships with project applicants, and we work with them closely when processing their applications. We also work with applicants to determine what is necessary for efficient construction and maintenance of proposed energy projects, including the use of helicopters, or road construction.

The Forest Service Alaska Region (R10) is processing over 30 hydro-electric projects, of which 26 are Federal Energy Regulatory Commission proposals. We have maintained our R10 energy staff to facilitate processing of these proposals. We have participated in the State's effort to develop an Integrated Resource Plan for energy development in southeast Alaska, and have sponsored the Energy Cluster in the Southeast Alaska Economic Development as part of our Transition Framework.

Question 7. At the hearing, you were asked by Senator Wyden about administrative management models and what type of management model would be more likely to increase the timber harvest levels on the national forest system—collaboration with continued direct Federal administration or turning over administrative management responsibility to the private sector (i.e. trust land model). You answered the collaborative approach. The trust land management model is our Nation's most

ancient and durable resource policy. There are numerous examples across the West of the successes of this management model in producing sustainable timber harvests and revenue. Please provide the data that demonstrates that collaboration on the national forest system as a management model is more successful in increasing sustainable timber harvest levels than trust land management.

Answer. The statutes and regulations that govern trust lands are different from those for Federal timber sales. Most States are mandated to generate revenue for schools from their State trust lands. This usually results in States selecting the larger and more valuable trees to harvest resulting in higher volumes per acre and lower unit costs.

Federal timber sales are integrated with other resource objectives under the multiple use mandate. Developing integrated restoration projects, which benefit a range of uses, is best achieved through collaboration, which reduces the potential for appeals and litigation. The White Mountain Stewardship 10-year contract (nearing completion) and the “4FRI” projects in northern Arizona are examples of the success of collaboration accelerating the acres and volume being treated on National Forest System lands.

The Forest Service continues to explore ways in which it can be more efficient and effective and accomplish more restoration activities. As a result, the Forest Service has decreased costs for preparing and implementing timber sales by 23 percent over the last 15 years, reducing the unit costs for producing timber from \$203/MBF (thousand board feet) to \$157/MBF, adjusting for inflation. The agency has achieved some of these efficiency gains through collaboration in our National Environmental Policy Act analyses and planning as well as improvements in the timber sale preparation program and using an all-lands restoration approach.

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR BARRASSO

Question 1. The Forest Service budget proposes additional fees of \$1 per A-U-M for family farmers and ranchers to recover the costs associated with NEPA analysis and issuing grazing permits. However, when I talk to both ranchers and agency employees back in Wyoming they attribute the increase of costs to renew a permit to excessive litigation against the agency.

What percent of the Forest Service System line item budget is spent on litigation?

Answer. The direct costs of litigation are the fee payments that the Forest Service makes under the Equal Access to Justice Act (EAJA). The Forest Service paid EAJA fees in the amount of \$565,000 in FY 2012, \$1,472,000 in FY 2011, and \$113,000 in FY 2010. In FY 2012 the EAJA fees paid were less than 0.036 percent of National Forest System (NFS) total discretionary appropriations (EAJA can be paid by any Forest Service budget line item) and did not have an appreciable effect on program funding for the agency as a whole. Individual units of the NFS, however, may experience significant funding impacts from specific court-ordered EAJA awards. Similarly in FY 2011, EAJA fees paid were less than 0.01 percent of NFS appropriations and did not have an appreciable effect on nation-wide program funding. Refer to the EAJA Special Exhibit, pp.14-34 to 14-37 in the FY 2014 Budget Justification for a detailed listing of these cases.

Indirect costs associated with litigation, such as staff time spent responding to litigation and the cost of project delays due to litigation, are not tracked within the Forest Service. Our accounting system does not allow for an easy or efficient way of keeping indirect litigation cost information separate from other expenses associated with a project’s development, such as the project’s initial design, analysis under the National Environmental Policy Act (NEPA), and project implementation. Costs, including staff time and resources associated with litigation, are charged to the appropriation that funds a project (e.g., vegetation management, wildlife habitat improvement, recreation management), as are other costs associated with its implementation.

Question 2. The Forest Service announced that as a result of the 5% sequester cut, timber production would be cut by 15%.

If Congress increased funding specifically for timber production by 10% can the Forest Service increase total board feet by 30%?

Answer. Approximately 51 percent of the funding for Forest Products is directed at preparing, offering and selling new timber sales, which is the basis for the output of timber volume sold. The remaining funding pays for administering the harvest of timber sales already under contract and handling walk-in business from citizens for firewood permits and special forest products. The agency is contractually obligated to administer existing contracts and we will continue to provide personal use permits for people to have access to firewood and other special forest products.

Thus, a 5 percent reduction in the total Forest Products program is actually a 10 percent reduction in the funds available to prepare and sell new timber volume.

Increases in Forest Products funding are directed to preparing and offering new timber sales with an expected increase in timber volume sold in the first year of the increase. As timber volume sold increases the need for additional funds in contract administration increases in subsequent years. The existing contracts for timber sold are a requirement for the Forest Service to fund, including the recently sold sales in FY 2012's accomplishment. The Agency would also continue its public fuel wood and personal forest products program. After meeting these two obligations, any additional funding would be applied to preparing new timber sales. The Forest Service would not be able to achieve a 30 percent increase in its timber sales offerings with a 10 percent funding increase.

Question 3. We spoke about the way the Forest Service counts acres burned by wildfires as acres treated when these number are reported to Congress.

Will you provide me with how many acres the Forest Service treated in 2012 not including those acres burned by wildfires?

During 2012, what was the cost per acre treated when the wildfires acres are removed?

Answer. The total number of acres treated to reduce hazardous fuels, other than those by wildfire, on lands administered by the Forest Service in 2012 was 1,897,802.

The treatment cost per acre varies widely, due to the type of treatment, the part of the country, the accessibility of the site, and numerous other factors. In general, mechanical treatment of hazardous fuels ranges from \$50/acre to more than \$4,000 per acre. Prescribed fire treatment of hazardous fuels ranges from \$30/acre to \$1,900/acre.

Question 4. Does the Forest Service count personal use firewood in its board feet sold total?

If yes, will you also provide me with the total board feet sold by the Forest Service in 2012 including only sawtimber, pulpwood, and useable biomass? Will you provide me the prices received for these same materials?

Answer. Yes, fuelwood (firewood) volume is included in the overall timber volume sold. The table below displays the Sold Volume and Sold Value (in thousands of dollars) for FY 2012.

Forest Product	Sold Volume (thousand board feet)	Sold Value (dollars in thousands)
Sawtimber	1,517,654	\$122,552
Pulpwood	509,593	20,471
Fuelwood	304,172	4,257
Biomass	109,975	2,444
Poles	8,471	90
Posts	4,487	4
Non-Saw	143,011	4,593
Other	46,862	526
Total	2,644,225	\$154,937

Question 5. During the hearing you mentioned in response to Senator Johnson's question about land acquisitions that the agency needed to buy land to improve border management efficiencies.

Please provide me data and examples of how managing a border with private or state land is more expensive than the cost of the private or state land.

Answer. Forest Service land and resource management activities, occurring at or near National Forest System land (NFS) boundaries, require that Forest Service boundary lines be surveyed and marked. This requirement is in part to protect neighboring landowners from encroachment by NFS activities, and in part to ensure that Federal lands are protected and maintained.

Land acquisitions that result in a reduction of NFS boundary mileage result in a reduction the costs of Forest Service survey, boundary line marking and maintenance, and activities at or near NFS boundaries, including timber sales and fuels treatments. In designated areas-for example, in wilderness areas-the cost of a

boundary line survey could exceed the property cost of an inholding, especially in remote terrains where use of non-motorized tools might be required.

Savings are not limited to acquisitions of inholdings. Any land acquisition that results in a reduction of NFS boundary miles, could result in a decrease of Forest Service costs. Some examples of proposed land acquisition projects that are expected to reduce Forest Service costs include:

Montana Legacy Completion Project—Consolidation of a checkerboard pattern of lands, and thereby a large reduction of boundary miles, could reduce Forest Service survey costs by \$336,000 per maintenance cycle (approximately every 10 years).

Florida Longleaf Initiative—A reduction of approximately five miles of boundary line could reduce Forest Service survey costs by \$80,000, at approximately \$16,000 per mile.

Question 6. You stated the importance of the timber industry to achieving the management needed on the National Forests as the same work left to the agency would be cost prohibitive. I agree with your assessment. Yet the budget proposes reducing timber and fuels funding. Help me understand this contradiction?

Answer. As a result of the national effort to reduce Federal budget levels, the agency's funding request for restoration, timber harvest, and hazardous fuels treatments has been reduced from the FY 2013 President's Budget level to \$756,788,000 for Integrated Resource Restoration (IRR) and \$201,228,000 for hazardous fuels treatments. Funding for Collaborative Forest Landscape Restoration Program was kept level. As a result, the restoration funding level proposed for FY 2014 is estimated to yield 2.38 billion board feet of timber volume sold, and the hazardous fuels funding level proposed is estimated to yield 685,000 acres treated in the Wildland Urban Interface. The Forest Service recognizes that maintaining a strong forest industry through selling timber is integral to helping accomplish forest restoration work and continues to identify and implement efficiencies in all aspects of forest restoration and hazardous fuels work.

Question 7. The Executive Summary of the 2012 "Large Air Tanker Modernization Strategy," page 2, second paragraph, states, "In response to this wildfire activity, the Forest Service's airtanker fleet has flown an average of 4,500 flight hours, dropping almost 20 million gallons of retardant annually in the last ten years."

Were the average gallons dropped last year approximately the same as the average for the past 10 years?

Was the average number of fire commander requests for large air tankers for this past fire season greater than the 10-year average?

For the past two fire seasons, what was the average number of requests for large air tankers that the National Interagency Coordination Center (NICC) had to deny for lack of tanker resources?

When awarded this year, will the next generation air tanker solicitation provide the forecast number of needed large air tankers within the next five years to meet the 10-year average gallons of retardant delivered without the need for additional solicitations in the next five years?

Answer. There were 26.7 million gallons of retardant dropped by the airtanker fleet in 2012, which is above the 10 year average.

In 2012, the National Interagency Coordination Center (NICC) responded to 851 requests for large airtankers. We have not collected this type of information at the national level prior to 2012, so we are not able to compare the number of requests for large airtankers in the past fire season to a 10-year average.

An average of 25 to 30 percent of the airtanker requests were not filled by the NICC in the past two fire seasons. Airtanker requests are prioritized based on values at risk. Informed decisions were made by fire managers to prioritize airtankers on initial attack and incidents with threat to life, property, critical infrastructure, and natural resource values versus fires with low values at risk.

The next generation large airtanker contract, as well as potential agency-owned airtankers (C-27Js), will provide the 18 to 28 next generation large airtankers the Forest Service believes will maintain airtanker response and capability identified in the "Large Airtanker Modernization Strategy."

Question 8. The Forest Service has a commendable goal of controlling all wildfires that utilize fixed-wing air tankers within a so-called "initial attack."

In a successful large air tanker "initial attack," how many large air tanker missions are normally flown?

What is the USFS goal, as a per cent of initial attack actions, for initial attack success?

What was the average success rate in the past two fire seasons?

How does that compare with the 10-year average for initial attack success?

When initial attack was not successful, on average, how many large air tanker missions are flown on those fires?

Answer. The agency does not have data at the level of specificity needed to answer the first part of this question. The number of large airtankers used, and the number of large airtanker missions flown, varies greatly on initial attack, depending on resources available, the conditions on the fire, and the location of the fire—among numerous other factors.

We strive for a 98 percent success rate with initial attack. In the past two fire seasons, our success rate for initial attack was 96.8 percent, which is 1.1 percent less than the 10-year average.

The agency does not have data at the level of specificity needed to determine how many airtankers were flown on fires when the initial attack was not successful. The number of airtanker missions flown varies greatly on initial attack, depending on resources available, the conditions on the fire, and the location of the fire—among numerous other factors.

Question 9. The National Interagency Fire Center (NIFC) has utilized the Very Large Air Tankers (VLAT) for delivery of large quantities of retardant in last couple fire seasons. The “Large Air Tanker Modernization Strategy” and your comments at the hearing indicate that the VLAT should continuously be in the mix of available airtanker assets. Does the Forest Service annual budget request for fixed wing air tankers include funding for VLAT assets?

If not, how are the VLAT air tankers funded?

Does the funding process enable VLATs to be available for the foreseeable future as part of the needed mix of air tankers?

Answer. That is correct. The Forest Service believes the VLAT is part of the fire-fighting aircraft fleet, and it is considered a specialty airtanker. The President’s Budget request for Wildland Fire Management (WFM) covers the aviation needs for the agency. The VLAT assets are considered part of the available contractor provided aviation assets. The funding process does enable VLATs to be available for the foreseeable future as part of the needed mix of airtankers.

Question 10. The Modular Airborne FireFighting System (MAFFS) C-130 fire-fighting capabilities are stated to be “surge” assets. Under the Economy Act, when these DOD assets are utilized by the Forest Service, the Service must provide complete cost reimbursement to DOD.

When C-130 units are activated, are they funded from annual appropriations, or are they funded from supplemental budget requests under the Flame Act.

Prior to activating C-130 MAFFS units, does the Forest Service first determine if other air tanker assets that have equivalent or greater capability are reasonably available, including those on “Call When Needed” arrangements?

Answer. The C-130 units are funded out of the Wildland Fire Management, Suppression account annual appropriations. FLAME Act funds may be used in years in which the Suppression account is fully depleted.

Yes, MAFFS resources are used when contractor and cooperator resources are fully committed, not reasonably available, or activity is expected to peak and/or be sustained at a high level for a period of time.

Question 11. The Forest Service gains access to needed fixed-wing aerial fire-fighting aircraft through “Call When Needed” (CWN) contracts. Are these CWN aircraft funded as part of the USFS annual budget, or do they also get funded through supplemental funding under the Flame Act?

Answer. Call-when-needed assets are funded through the Wildland Fire Management, Suppression account annual appropriations. FLAME Act funds may be used in years in which the Suppression account is fully depleted.

FLAME funding is transferred to the Suppression account after a declaration is approved by the Secretary and used in the same manner as funds appropriated to Suppression. FLAME funding is not “supplemental.” It is used to cover the costs of large fire events that meet criteria for a Secretarial declaration.

Question 12. Current plans call for the Forest Service to take possession of a certain number of C-27 aircraft that have been declared excess to DOD needs.

How many C-27 aircraft does the Forest Service require to meet its long-term plans?

If the Forest Service assumes the responsibility for C-27 aircraft, what will be the role of those aircraft within authorized Forest Service responsibilities?

Will the Forest Service operate C-27 aircraft with its own employees?

What is the Forest Service life-cycle cost estimate for operation and maintenance of the C-27?

If the Forest Service utilizes C-27 aircraft for air tanker operations, will the current MAFFS I or MAFFS II units function in the C-27?

If the current MAFFS II units will function in the C-27, will the Forest Service assign first priority for use of those MAFFS II units to the C-27, or will the Department of Defense (DOD) C-130s have priority for utilization of MAFFS II units?

Answer. The Forest Service is ready to take seven C-27Js as outlined in the National Defense Authorization Act. Long-term plans will depend on interest from the U.S. Coast Guard and other Federal agencies in the C-27J. The C-27Js will be used as medium airtankers. The Forest Service will not operate C-27J aircraft with its own employees; the agency intends to contract for operation and maintenance of the aircraft. The Forest Service is developing the life cycle cost estimates.

The Mobile Aerial Firefighting System I (MAFFS I) never met retardant delivery requirements. MAFFS I units are no longer maintained and refurbishment would be cost prohibitive. MAFFS II, even if scaled in size for the C-27J, would severely restrict the C-27J's payload. The Forest Service intends to contract for a new retardant delivery system for the C-27J that optimizes the aircraft's payload. The MAFFS II units will not fit in the C-27J, so there will be no conflict with the DOD MAFFS C-130s.

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR HELLER

Question 1. The State of Nevada has been asked by the Forest Service to repay \$239,000 in payments made under the Secure Rural Schools program. These funds were paid to the state and subsequently distributed to counties according to state law prior to the implementation of sequestration. Can you please provide the legal justification for the request to return these funds?

Answer. All government funds apportioned in FY 2013 are subject to sequestration. There are only a few exceptions. While funding for Secure Rural Schools (SRS) payments is based on the level of FY 2012 receipts, section 102(e) of the SRS Act directs that the funds be paid after the end of the fiscal year and therefore it is budget authority for FY 2013 and subject to sequestration. The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended, requires that sequestration be taken at the budget account level, and applied equally to each program, project, and activity (PPA) in those accounts. In the case of SRS, the relevant account is the Forest Service Permanent Appropriations account, which includes two PPAs for SRS: one comprising the FY 2013 budget authority from receipts in FY 2012 (the "receipts PPA"), and the other comprising additional FY 2013 budget authority provided from Treasury to cover the shortfall in receipts necessary to make the full SRS payments (the "Treasury payments PPA"). In calculating the sequestered amount, BBEDCA repeatedly refers to the amounts for a "fiscal year" or "that year" (2 U.S.C. 901a). Thus, consistent with the application of sequestration across all USDA programs, and across the government as a whole, the amount of the sequestration is based upon the full budgetary authority in the receipts PPA and the Treasury payments PPA for the entire fiscal year, not on the amount remaining available on March 1, 2013, the date of the sequestration order.

Question 2. Nevada, the Forest Service is home to both the Bi-state and Greater sage grouse populations. An Endangered Species listing of the sage grouse would have a devastating impact on the economy and way of life in every county in Nevada. As I am sure you are aware, one of the biggest threats the biggest threat to sage grouse habitat on public lands is wildfire, particularly in overcrowded pinyon-juniper woodlands. What steps are the Forest Service taking to protect sage grouse habitat and to prevent an ESA listing for the bird?

Answer. In considering the Forest Service role in sage grouse conservation it is important to note that the Forest Service only has 8 percent of existing sage grouse habitat. (The Bureau of Land Management has 51 percent of existing habitat, private landowners have 30 percent, and other ownerships make up the remaining 11 percent.) National Forest System (NFS) lands in the Intermountain Region, which includes Nevada, Utah, northwestern Wyoming, and southern Idaho, have 70 percent of the Forest Service portion of high priority sage grouse habitat.

The Forest Service is working cooperatively with our Federal, State, and interested non-governmental partners to address Bi-State and Greater sage grouse conservation needs. The Forest Service participated in the development of a Near-Term Greater Sage-grouse Conservation Action Plan as a member of the Range-wide Interagency Sage-grouse Conservation Team.

Currently, the Forest Service is engaged in a planning process that includes National Environmental Policy Act disclosure and public input, to determine whether to amend 20 Land and Resource Management Plans to incorporate sage-grouse conservation measures, with a target decision date of September 2014. The goals of this planning process are to: ensure that adequate regulatory mechanisms are in place; to reduce risks to sage-grouse and its habitat; maintain ecosystems on which sage-

grouse depend; and to conserve habitat necessary to sustain sage-grouse populations to an extent that precludes the need for its listing under the Endangered Species Act.

While the Forest Service is engaged in the planning process, we have developed interim conservation recommendations based upon the following principles:

- 1) Protect remaining expanses of unfragmented habitat.
- 2) Minimize further loss of fragmented habitat.
- 3) Enhance and restore habitat conditions to meet sage-grouse life history needs.

These recommendations supplement the recommendations for sage-grouse contained in the Chief's letter to Regional Foresters in Regions 1, 2, 4, 5, and 6 for sage-grouse and sagebrush conservation (July, 1, 2010). Another goal of the interim recommendations is to enhance consistency in management of activities on National Forest System land with the BLM Instructional Memorandum (IM) No. 2012-043: Greater Sage-grouse Interim Management Policies and Procedures (Dec. 22, 2011). The Forest Service also completed interim conservation recommendations (Fall 2012) accompanying a list of 2011 and 2012 NFS projects for Greater Sage-grouse and their habitats.

The Forest Service would not characterize wildfire as the greatest threat to sage grouse habitat on public lands, particularly in overcrowded piñon-juniper woodlands. Piñon-juniper encroachment into adjacent sage brush habitats is a significant issue relative to the loss of sage brush habitats. This is primarily due to the lack of disturbance processes in those habitats. The wildfire threat is more relevant to the invasion of exotic annual grasses into sage brush stands (e.g. cheatgrass), and resulting frequent, uncharacteristic wildfires that convert sage brush to annual grassland communities. Most of this occurs on lower elevation BLM lands. The processes resulting in the loss of sage brush habitats due to piñon-juniper encroachment and annual grassland invasion are distinct and different processes.

Question 3. Does the Forest Service recognize the State of Nevada's primacy when it comes to water allocation and water law in Nevada?

Answer. The Forest Service respects the rights of States, including Nevada, to appropriate water, and the role of States in administering water rights. The agency actively participates in State water right adjudications and other proceedings.

The Forest Service claims reserved water rights for consumptive or nonconsumptive needs on reserved lands directly related to securing favorable conditions of water flow or to furnish a continuous supply of timber under the Organic Administration Act of 1897 authority including:

- Domestic water needed for Ranger Stations, fire stations, work centers, housing, and other facilities constructed and maintained for administering National Forest System (NFS) programs for watershed protection and timber production.
- Water needed for fire protection and control.
- Water needed for constructing and maintaining access roads for timber production and watershed protection activities.
- Water needed for irrigation of tree nurseries, seed orchards, and other facilities devoted primarily to the supply of timber or watershed protection.
- Water needed for maintaining Forest Service riding and pack stock used in the administration of the NFS timber resources and for watershed protection.
- Water needed in connection with special uses where the user is engaged in activities carried out for watershed protection or timber production on the NFS.
- Water needed in the form of instream flows sufficient to maintain the stability of stream channels for favorable conditions of water flow and protection against the loss of productive timber lands adjacent to the stream channels. This includes the volume and timing of flows required for adequate sediment transport, maintenance of streambank stability, and proper management of riparian vegetation.

The Forest Service claims prior appropriation water rights from the State for other Forest Service water uses and permitted programs under the Multiple-Use Sustained-Yield Act of 1960: "It is the policy of the Congress that the national forests are established and shall be administered for outdoor recreation, range, timber, watershed, and wildlife, and fish purposes." These uses would include water rights for campgrounds, ski area snowmaking, livestock water, and in-stream fish flows.

Question 4. Can you please provide the reasoning behind incidents where the Forest Service has required water from permittees prior to issuing permits?

Answer. The Forest Service mission is "to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations." Fulfilling this mission means sustaining water, as well as soil,

vegetation, fish, wildlife, and other resources, all while providing outdoor recreation and local economic opportunities such as permitted programs like grazing and ski areas.

Forest Service policy is to claim possessory interest in water rights in the name of the United States for water uses on National Forest System (NFS) lands as follows:

- Claim water rights for water used directly by the Forest Service and by the general public on the NFS.
- Claim water rights for water used by permittees, contractors, and other authorized users of the NFS, to carry out activities related to multiple use objectives. Make these claims if both water use and water development are on the NFS and one or more of the following situations exists: (1) National Forest management alternatives or efficiency will be limited if another party holds the water right; and (2) Forest Service programs or activities will continue after the current permittee, contractors, or other authorized user discontinues operations.

Question 5. Since this is a hearing on the FY14 budget, including the Recreation Program budget, I understand that in building external partner support for the program and the program budget, that the Ski Area Recreational Enhancement Act was passed in 2011 but is awaiting full implementation based on the need for the specific policies and regulations. Since these investments in activities by our external partners will help build capacity in your program in the upcoming fiscal year, (not to mention creating additional jobs in our rural communities), can you give me a status on where the implementing regs are in the process and when you expect to have them ready for approval?

Answer. The Forest Service will be implementing the Ski Area Recreational Opportunity Enhancement Act (SAROEIA) through four regulatory and directive revisions:

- A Forest Service Manual (FSM) 7330 amendment for Aerial Adventure Courses to provide technical standards for design, construction, and operation of zip lines, rope courses, and similar facilities. We anticipate issuing this amendment by June 2013.
- A direct final rule to change the definition of a ski area to conform to the SAROEIA amendment. A Federal Register Notice has been drafted and is under review.
- An amendment to FSM 2340 to implement nondiscretionary elements of the SAROEIA. The amendment is being drafted and should be issued by June 2013.
- A proposed amendment to FSM 2340 with additional guidance on implementation of SAROEIA. A Federal Register Notice explaining the proposed amendment has been drafted and publication for public notice and comment is anticipated in summer 2013.

RESPONSES OF TOM TIDWELL TO QUESTIONS FROM SENATOR FLAKE

Question 1. On page 10 of the budget justification, the Forest Service notes, “More than 70,000 communities are now at risk from wildfire, and less than 15,000 have a community wildfire protection plan or an equivalent plan.” What’s more, experts predict worsening fire seasons, as evidenced by the more than 9 million acres burned in 2012. Yet, the Forest Service is proposing a reduction in the Hazardous Fuels line item and a \$38.5 million increase in funding for land acquisition. Why is the Forest Service more focused on acquiring additional lands, as opposed to better management of the lands under its authority?

Answer. Effective land management, including reducing hazardous fuels, is accomplished through a variety of means. Land acquisition can help reduce management costs by consolidating landownership, avoiding further fragmented development within forest boundaries which can exacerbate fire, insect, and disease management challenges. Land acquisition is one tool we have to promote the long-term health and sustainability of the national forests and grasslands and thereby protect taxpayer investments in National Forest System lands. Integrated Resource Restoration, an integrated approach to land management, will further sustain, maintain, and make landscapes more resilient and thus protect communities. We are working through the National Cohesive Wildland Fire Management Strategy to increase the number of Community Wildfire Protection Plans and implement several other measures to restore and maintain resilient landscapes, create fire-adapted communities, and respond to wildfires.

Question 2. Instead of increasing land acquisition funding, would it be a more prudent expenditure of funds to prioritize funding for wildfire protection thereby conserving additional lands that might otherwise be destroyed by wildfires?

Answer. Funding to support land acquisition that can help reduce management costs by consolidating landownership and avoiding further fragmented development within forest boundaries is prudent as it helps to reduce fire dangers and assists with management of insects and disease. Through the National Cohesive Wildland Fire Management Strategy, we are promoting measures to restore and maintain resilient landscapes, create fire-adapted communities, and respond to wildfires. Continued funding of land acquisition can assist in promoting these measures by avoiding further fragmented development within forest boundaries which can exacerbate wildfire.

Question 3. As you know, the State of Arizona's recent experience with historically significant wildfires has impacted forest ecosystems, including watersheds for much of the rest of the State, and upended the lives of many residing near national forest system lands. The Schultz Fire in June 2010 consumed 15,000 acres on the Peaks in the Coconino National Forest. The following fire season, 2011, was extraordinarily destructive, as the Wallow Fire, the Horseshoe Two, and the Monument Fire, among others, burned in the State. The Wallow Fire encompassed 538,000 acres and surpassed the Rodeo-Chediski Fire as Arizona's largest. The Horseshoe Two, Monument, and Murphy Fires damaged another 300,000 acres, and destroyed more than 60 homes, in southern Arizona.

The August 2011 Wallow Fire Rapid Assessment Team (RAT) report attempted to quantify anticipated recovery effort expenditures. The costs across the various categories summed to more than \$101 million. Approximately \$34 million was expended in the initial Burn Area Emergency Rehabilitation efforts. While the RAT product was an early review, the conclusions provide a meaningful reference in evaluating the status of the rehabilitation and mitigation measures. What were the contemplated expenses, and actual expenditures to date, for the following categories referenced in the RAT document: roads and infrastructure; watersheds; fires and fuels; range resources; forest vegetation; fisheries; and recreation trails and facilities?

Answer. The Wallow Fire Rapid Assessment Team identified approximately \$100 million of needed rehabilitation projects in the burned area through FY 2018. To date, the Forest has received over \$6.0 million for recovery efforts. The table below displays contemplated and actual expenditures through FY 2012 for Wallow Fire recovery efforts (dollars presented are in thousands).

Wallow Fire Recovery (dollars in thousands)		Total Allocated FY 2011 and FY 2012
RAT Report		
NEPA	\$7,285	\$250
Roads & Infrastructure	25,369	436
Soils Watersheds	12,697	71
Fire & Fuels	6,064	420
Range Resources	15,108	3,206
Forest Vegetation/I&I	24,718	825
Fisheries	5,110	95
Recreation, Trails, & Facilities	2,559	415
Landline	450	50
Wildlife	1,953	265
Total	\$101,313	\$6,033

Question 4. I have been informed the Coronado National Forest, after the Horseshoe Two, Monument, and Murphy Fires, received \$2.5 million in 2011, \$1.4 million in 2012, and \$123,000 in 2013, in recovery funding. Has an attempt been made to qualify and quantify the post-fire exigencies? If so, what is the difference between the anticipated and actual expenditures?

Answer. We have quantified the post fire needs for those fires, which we anticipated to be \$4.8 million. The difference between the anticipated need and expenditures to date is roughly \$800,000.

Question 5. What is the status of the Schultz Fire recovery effort?

Answer. Coconino National Forest (CNF) signed an Environmental Assessment last summer on the Forest efforts, which includes up to 462 acres of treatments on

the Forest in 15 miles of channels to reduce sediment transport. Concurrent work on CNF and private property will begin this spring.

All Burned Area Emergency Rehabilitation treatments were completed in 2011, which included five rounds of rehabilitation efforts implemented by the Forest Service at a cost of about \$4.1 million. Treatments included mulching, seeding, berm construction, and other emergency measures to protect life, property, and sensitive natural resources. Long-term rehabilitation projects continue, including over \$1 million invested in road and trail reconstruction, recreation site repair, noxious weed treatments, hazard tree removal, reforestation, and similar recovery efforts.

Question 6. The Arizona Game and Fish Department (AGFD) on March 9, 2013, approved a resolution expressing strong objections to the implementation of the travel management rule (TMR). Likewise, the Western States Sheriff's Association (WSSA) unanimously enacted a resolution on March 21 declaring opposition to the application of the TMR by the United States Forest Service and the Bureau of Land Management.

The AGFD policy states, in part, "it is unacceptable for a federal multiple use land management agency to establish regulations that the public cannot understand; that the federal land manager cannot effectively enforce; or that the land manager imposed upon state and local enforcement authorities an unreasonable and unenforceable mandate that denies reasonable and sufficient access to citizens." The WSSA requests "an immediate cessation of further implementation of the Travel Management Plan on all public lands until a comprehensive review of its impact to counties, and the residents and visitors therein, can be conducted." The WSSA further resolved to encourage your agency to "enter into meaningful discussions with the leadership of the nation's western counties in an effort to form agreements that will ensure Sheriffs retain adequate and appropriate access to public lands in order to provide service and the public is not restricted from historic and traditional uses of public lands."

Will the AGFD, the WSSA, other agencies and organizations, and individual citizens, be provided opportunities to further contribute to the planning and implementation of the TMR, including in those USFS units with published motor vehicle use maps?

Answer. Yes, we will offer ongoing opportunities for contributions to the planning and implementation of the Travel Management Rule. In Arizona approximately 30 percent of the Motor Vehicle Use Maps (MVUMs) are complete, allowing for initial input on the vast majority of MVUMs in the State. Furthermore, 36 CFR 212.54 states, "Designations of National Forest System (NFS) roads, NFS trails, and areas on National Forest System lands pursuant to § 212.51 may be revised as needed to meet changing conditions. Revisions of designations shall be made in accordance with the requirements for public involvement in § 212.52, the requirements for coordination with governmental entities in § 212.53, and the criteria in § 212.55, and shall be reflected on a motor vehicle use map pursuant to § 212.56."

The Forest Service will also continue to provide opportunities for Federal, State, county, and other local governmental entities, Tribal governments, and the public to contribute to the planning and implementation of the Travel Management Rule, as is required per the regulations noted below.

The Travel Management Rule (36 CFR 212) was developed using an open and public process to follow the direction in Executive Order 11644 (Use of Off-road Vehicles on the Public Lands) and the later Executive Order 11989 (Off-Road Vehicles on Public Lands). The Forest Service has completed travel management under Subpart B on over 80 percent of NFS lands, creating a MVUM as the legal document to inform the public and for law enforcement. Law enforcement vehicles and uses are exempted under 36 CFR 212.51.

With regard to new MVUMs, 36 CFR 212.52 states in part, "The public shall be allowed to participate in the designation of NFS roads, NFS trails and area on National Forest System lands and revising those designations pursuant to this subject. Advanced notice shall be given to allow for public comment, consistent with agency procedures under the National Environmental Policy Act on proposed designations and revisions."

Additionally, 36 CFR 212.53 states, "The responsible official shall coordinate with appropriate Federal, State, county, and other local governmental entities and Tribal governments when designating National Forest System roads, NFS trails, and areas on NFS lands pursuant to this subpart."

Question 7. Your testimony and the Forest Service budget justification heavily focus on restoration, namely "restoring ecosystems." To that end, the budget justification highlights, among other things, the importance of forest health, the resiliency of forest landscapes, the need to restore fire-damaged forest, and to reduce the risk of wildfires. The Forest Service further elaborated stating, "By restoration, we

mean restoring the functions and processes characteristic of healthier, more resistant, more resilient ecosystems, even if they are not exactly the same systems as before." What are the characteristics of a healthier, more resistant, more resilient ecosystem that the Forest Service is trying to achieve?

Answer. The Forest Service is trying to achieve healthy and resilient ecosystems that will have greater capacity to absorb natural disturbances and large scale threats to sustainability, especially under changing and uncertain future environmental conditions, such as those driven by climate change and increasing human uses.

Restoration is the process of assisting the recovery of an ecosystem that has been degraded, damaged, or destroyed. Creating a forest ecosystem which is healthier, more resistant, and more resilient involves mimicking the process found in a natural ecosystem which is capable of overcoming stressors or disturbance events. By using restoration strategies, forest stands can be developed to be more diverse, in age and species, and better able to withstand stressors. For example, a forest consisting of a single tree species, a monoculture, and little age difference is susceptible to a complete loss should an insect or pathogen succeed in exploiting that forest structure. Added to this risk would be other stressors which might equally affect all of the trees. Increasing the diversity of age and species of forests has the additional benefits of: increasing habitat diversity, increasing resistance to invasive species, and improved ability for regeneration of the forest. In addition to forests, the National Forest System contains millions of acres of grasslands which require restoration to ensure ecosystem resiliency.

In forested areas where fire is a natural process this involves using fire to maintain the forest type and structure. In many ecosystems, removing smaller trees to reduce the likelihood of crown fires, thinning mature vegetation to reduce the spread of fire from tree to tree, and removal of material on the forest floor through prescribed fire or mechanical means is necessary to ensure that the important components of the ecosystem survive a wildfire by reducing the intensity of the wildfire. In ecosystems that have long fire return intervals that may function ecologically post wildfire through self-regeneration, treatment may still be necessary to protect communities or other values at risk. These treatments are often similar to the treatments in forest types that had more frequent fire.

Question 8. Has the National Forest System exhibited the characteristics of a healthy, more resistant, more resilient ecosystem in the past? If so, when did the Forest System exhibit those characteristics?

Answer. Overall, our national forests were healthier, more resistant, and more resilient when they were originally established as Forest Reserves in the late 1800s. These lands (later to become National Forests) were set aside for timber production, watershed protection, and forest protection. A series of catastrophic forest fires that occurred during the late 1800s and early 1900s led to efforts to suppress wildfires. Specifically, the Weeks Law of 1911 and the Clark-McNary Act of 1924 led to improved fire suppression by States and the Federal government. However, by removing fire from fire-dependent ecosystems, the trajectory of forest development was altered.

Beginning in 1990, the effective suppression of fire ignitions combined with a large reduction in timber harvested led to an overall increase in forest biomass and fuel loads. Many of our National Forests are now more susceptible to fire, less resilient, and less resistant to threats. In addition to fire, forests face a suite of stressors, including: climate impacts, increased human population in and around forests, and increased threats from invasive species.

The history of eastern National Forests differs from western National Forests. The Weeks Law of 1911 gave the Federal government authority to acquire land to protect watersheds and navigable streams. Many of the eastern National Forests—acquired mostly in the early 20th century—were areas in very poor condition. Through the restoration efforts of the Forest Service and others, these lands were reforested and saw a dramatic improvement in their ecosystem health. Like the western National Forests, the eastern National Forests face increased stresses/threats from climate change, human populations, and invasive species.

In many cases, our forests and watersheds are well-functioning and resilient. In a significant portion of our national forests, however, a history of fire suppression or other legacy conditions necessitate that the Forest Service take a more active management approach to restore conditions and functions, to protect communities and their drinking water, and to sustain other values including recreation and wildlife. This can be accomplished in part through increasing the scale and effectiveness of treatments, and over time, accelerating the pace of projects to treat more acres and employ more people in the work of restoring the national forests.

Question 9. On page 10 of the budget justification, the Forest Service notes that during the fire seasons in the 1930s “more than 30 million acres burned on average each year.” In the 1940s that number remained high at approximately 12 to 15 million acres—a level some experts predict we could see in the near future. Yet, the budget justification also notes that from the 1960s through the 1980s, when “the Forest Service furnished up to a quarter of the Nation’s supply of wood,” the average annual acres burned were well under 5 million per year, approaching a relatively paltry 2.983 million acres in the 1980s. How do these fire statistics factor into the Forest Service’s restoration efforts? What decade is the Forest Service trying to emulate with its restoration efforts?

Answer. The relatively low annual acres burned of the 1960s and 1970s correlates with the cooler climate as well as landscape conditions (following a period of fire activity) that enabled the agency to be more successful in suppressing fires during that time frame. The majority of timber harvest in the 1960s to 1980s occurred in OR, WA, and southeast AK, where fire occurrence is historically low. The agency’s current focus is on vegetation treatment to protect communities and other values at risk and to improve landscape resiliency with wood as a byproduct.

Forest Service restoration focuses on re-establishing the composition, structure, pattern, and ecological processes necessary to facilitate sustainability, resilience, and health under current and future conditions rather than a point in the past. It would be difficult to achieve a condition from the past because human settlement patterns and a changing climate have already altered the landscape. The Forest Service is focused on the future and has prioritized the Wildland Urban Interface and the priority watersheds for treatment that collectively will aid in the management and suppression of the current and large fires.

Question 10. In the budget justification overview, the Forest Service explains, “Over the course of the FY 2012 fire season, our average suppression cost fell from the 5-year average of \$448 per acre to \$312 per acre, saving about \$377 million.” Please explain how 5-year suppression costs fell, when 2012 saw one of the worst fire seasons with more than 9 million acres burned?

Answer. The overall costs of suppressing wildfires have increased, but we did see a decrease in costs per acre of suppressing large wildfires. This is an indicator of how our risk-based approach in deciding how to manage individual fires is successful in not only minimizing the exposure to our firefighters but reducing costs. Without these changes, the 2012 fire season would have been even more expensive.

Question 11. On page 2 of the budget justification, the Forest Service claims, “The Forest Service was founded in 1905 to help spread the spirit of conservation across the land.” The Forest Service website, however, explains:

Unlike the national parks, which were created primarily to preserve natural beauty and unique outdoor recreation opportunities, the founders of early national forests envisioned them as working forests with multiple objectives. The Organic Administration Act of 1897, under which most national forests were established, states: ‘No national forest shall be established, except to improve and protect the forest within the boundaries, or for the purpose of securing favorable conditions of water flows, and to furnish a continuous supply of timber for the use and necessities of citizens of the United States . . .’

Why did the Forest Service use its budget justification to describe its historic mission as one of spreading the “spirit of conservation,” when that description (according to the Forest Service website) more appropriately describes the historic mission of the National Parks Service?

Answer. The phrase “spread the spirit of conservation,” was meant to communicate the Forest Service’s multiple use mandate. Traditionally, the term “conservation” has referred to sustainable use of resources and has been associated with the Forest Service, whereas the term “preservation” has encompassed the Park Service mission of preserving natural beauty and unique outdoor recreational activities.

Question 12. Has the Forest Service’s core mission shifted to land management and conservation in way that more accurately aligns it with the mission of agencies under the Department of the Interior, as opposed to the Department of Agriculture?

Answer. The Forest Service mission is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations and has not changed. As it has for over a century, the Forest Service can successfully fulfill its multi-faceted mission housed within the Department of Agriculture (USDA).

As the Nation’s leading forestry organization, we also serve Americans in other ways that are in alignment with the USDA mission—which is to provide leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient manage-

ment. The USDA Strategic Plan FY 2010-2015 provides important information on how USDA and the Forest Service work together and play a pivotal role in protecting and restoring America's forests, farms, ranches, and grasslands while making them more resilient to threats and enhancing natural resources. As public land stewards, USDA and the Forest Service work together to conserve and restore 193 million acres of national forests and grasslands in the National Forest System.

Question 13. The Forest Service's lack of preparation for sequestration this year has caused considerable unrest in rural communities that face penalties and interest payments for failing to return payments to the Forest Service. How does the Forest Service intend to work with local communities to address this situation?

Answer. The Forest Service is committed to assisting rural communities. To fulfill our commitment, payments to States were made in early January 2013 while the sequestration debate continued in Congress. In March of 2013, to comply with the law, we were required to ask each State to return the sequestered amount mandated by the Budget Control Act. We understand the hardship created by the impact of sequestration on payments under the Secure Rural Schools Act. States have the option to either pay back the sequestered amounts from their Title I and Title III money, or reduce the Title II allocations by the requisite amount, provided funds are available in Title II. We sincerely regret having to take this action but we have no other options under sequestration.

The Office of General Counsel (OGC) issued its opinion on costs to be included in cancellation ceiling determinations for multiyear stewardship contracts on March 1, 2011. Key points from the OGC opinion are below.

- 1) Cancellation ceiling costs are for nonrecurring costs, such as start-up costs.
- 2) Contractor costs of providing services under a multiyear stewardship contract should only be a factor in the cancellation ceiling determination if the costs are allocable to the contract. Under the Federal Acquisition Regulation (FAR) 31.201-4, "A cost is allocable if it is assignable to one or more cost objectives on the basis of relative benefit received or other equitable relationship." For qualifying contractor investments, the costs may be included in the cancellation charge only to the extent that the multiyear stewardship contract benefits.
- 3) When the Agency sells forest products and requires removal, but does not specify where the material is to be removed or what manufacturing is to be done, then the post-removal manufacturing costs are not applicable to the items or services to be furnished under the multiyear contract requirements. For this reason, those costs would not be included in the cancellation ceiling calculation.
- 4) The Agency is not liable under FAR 52.217-2, Cancellation under Multiyear Contracts, if it terminates a multiyear contract for reasons other than lack of funding. Instead, it is liable under the termination for the convenience clause.
- 5) The costs to be included in any cancellation charge for an Integrated Resource Service Contract (IRSC) are limited to those contract required costs the contractor reasonably must incur to provide a service to the Forest Service. If a cost cannot be tied to a service contract requirement, it may not be included in any cancellation charge and, therefore, should not be a factor in the cancellation ceiling determination.
- 6) Examples of costs to be included in a cancellation ceiling because the work is related to a service being performed include but are not limited to the following.
 - i) Logging equipment to the extent the costs are allocable to the contract.
 - ii) Slash treatment equipment, such as a mastication machine, to the extent the costs are allocable to the contract.
- 7) Examples of costs not to be included in a cancellation ceiling because the work is not related to the service being performed include but are not limited to the following.
 - i) Log trucks or chip vans if the contract does not require products to be removed from national forest land.
 - ii) Facilities to manufacture the products removed since manufacturing is not a service provided under the contract.
- 8) The determination of allocable costs will be specific to each contract.

The above items should be taken into consideration for contract development and cancellation ceiling determinations. If you have any questions regarding cancellation under multiyear contracts, contact Ron Schilz, Procurement Analyst, Policy Branch, Acquisition Management.

Question 14. To avoid repeating this next year, how does the Forest Service intend to address sequestration in upcoming years?

Answer. We will continue to work to implement the requirements of sequestration and mitigate impacts on rural communities and public interests as much as possible, while complying with the laws passed by Congress.

Question 15. The Forest Service's recent report, "Increasing the Pace of Restoration and Job Creation on Our National Forests," set a FY14 timber target of 3 billion board feet. Chief Tidwell similarly supported the 3 billion board feet goal. Nevertheless, the budget justification proposes a timber target of 2.38 billion board feet. If the report and the Forest Chief support a 3 billion board feet target, why does the budget justification include a reduced amount?

Answer. As outlined in the Forest Service report "Increasing the Pace of Restoration and Job Creation on Our National Forests," the agency intended to take action over the next three years to increase the number of acres being mechanically treated by 20 percent. The agency was on track selling over 2.6 billion board feet of timber in FY 2012.

Approximately 51 percent of the funding for Forest Products is directed at preparing, offering, and selling new timber sales, which is the basis for the output of timber volume sold. The remaining funding pays for administering the harvest of timber sales already under contract and handling walk-in business from citizens for firewood permits and special forest products. The agency is contractually obligated to administer existing contracts and we will continue to provide personal use permits for people to have access to firewood and other special forest products. Thus, a percent reduction in the total Forest Products program is actually a 10 percent reduction in the funds available to prepare and sell new timber volume. As a result of the national effort to reduce Federal budget levels, the agency's funding request for restoration and timber harvest has been reduced from the FY 2013 President's Budget level. As a result, the restoration funding level proposed for FY 2014 is estimated to yield 2.4 billion board feet of timber volume sold.

Question 16. In the budget justification, the Forest Service proposed permanently extending stewardship contracting authority, which expires at the end of FY13. This program has proven successful in Arizona, and a number of constituents have expressed support in favor of reauthorizing this authority. There are, however, a couple of minor modifications that could improve the program. One of these is achieving parity between the fire liability provisions in timber contracts and Integrated Resource Service Contracts (IRSC) for stewardship. Please provide the statutory or regulatory citation for the timber contract provision. Why is there a distinction between the timber contract provision and the IRSC stewardship contract provision?

Answer. The Integrated Resource Timber Contract (IRTC) is based on the provisions of the Forest Service timber sale contract, which was verified through the National Forest Management Act. The Integrated Resource Service Contract (IRSC) is tiered to the Federal Acquisition Regulations (FAR) as expressed through the Forest Service's service contracts (FAR 452.236-77, Emergency Response). Thus, the IRTC follows the fire liability procedures in the agency's timber sale contract, and the IRSC follows the fire liability clause included in the agency's service contracts.

Question 17. What efforts has the Forest Service undertaken to make the fire liability provision in the IRSC stewardship contract commensurate with the timber contract provision? If none, please explain why it has not undertaken those efforts

Answer. As explained above, the fire liability provisions of the IRTC and IRSC are the same as the contracts from which they tier. Therefore, the IRTC follows the fire liability procedures in the agency's timber sale contract and the IRSC follows the fire liability clause included in the agency's service contracts. We are aware that the difference between the IRTC and IRSC is a concern for potential contractors and are further exploring this concern.

Question 18. In light of the Forest Service's increasing reliance on stewardship contracts instead of timber sale contracts, what efforts has the Forest Service undertaken to establish a local cost share from stewardship contract receipts? If none, please explain why it has not undertaken those efforts.

Answer. Forest land managed through timber harvest will continue to play a critical role in restoration, maintenance, and enhancement of national forests and grasslands. Both the traditional timber sale contract and stewardship contracts will serve a vital role where appropriate. While counties do not receive payments from a stewardship contract, the receipts generated from the timber under a stewardship contract pay for restoration activities in the sale area, generating more work on the ground with an increased opportunity for local jobs.

Question 19. In March 2011, the Office of General Counsel issued an opinion on the costs that should be included when the Forest Service makes a cancellation ceiling determination. Can you provide a copy of that opinion?

Answer. Agency legal opinions are privileged information. However, we have attached a copy of the October 13, 2011, letter sent to the Regional Foresters that outlines the key points of the OGC opinion and clarifies the costs that should be included in a cancellation ceiling determination.

Question 20. What efforts has the Forest Service undertaken to reduce its upfront costs for cancellation ceilings? If none, please explain why it has not undertaken those efforts.

Answer. The Forest Service issued a letter to the Regional Foresters on October 13, 2011, that clarifies the costs that should be included in the cancellation ceiling determination for stewardship contracts. A copy of this letter is attached.

Question 21. In his testimony, Chief Tidwell explained that the Forest Service is attempting to cut operating costs “by streamlining [the Forest Service’s] environmental review process under the National Environmental Policy Act.” Specifically, what is the Forest Service doing to streamline the NEPA review process?

Answer. The Forest Service is continuously improving the National Environmental Policy Act (NEPA) process. Current efforts include technology applications to speed public comment analysis, project file management, publishing environmental documents to the internet, and managing mailing lists. We have focused our NEPA training on key skills for managing the process, including team management and decision making. We have also established a learning network on adaptive management, focused environmental assessments, and iterative environmental impact statements (EIS) to examine the effectiveness of larger-scale NEPA analysis existing policies and practices. As an example, recently an EIS was prepared on the Black Hills National Forest to make a decision on treating bark beetles on over 250,000 acres (three to six times larger than projects covered by typical EISs on the Black Hills National Forest). Lessons learned are being shared throughout the agency.

The White House Council on Environmental Quality recognized Forest Service efforts to modernize the NEPA by selecting Forest Service proposals for two of their five NEPA Pilot projects that employ innovative approaches to completing environmental reviews more efficiently and effectively. Forest Service electronic management of NEPA and two landscape level projects, Four Forest Restoration Initiative, and 5-Mile Bell, were chosen as examples to share with NEPA practitioners in other Federal agencies.

Question 22. Do those streamlining efforts extend to grazing permits, timber contracts, and stewardship contracts?

Answer. Yes, the Forest Service is continuously improving the National Environmental Policy Act process for all of our programs.

Question 23. How does the Forest Service plan on working with or otherwise collaborating with the Ecological Restoration Institute during FY14?

Answer. The Forest Service will continue to work with the Ecological Restoration Institutes (ERI) to promote the use of adaptive ecosystem management to reduce the risk of wildfires and restore the health of fire adapted ecosystems of the interior West. The ERI will continue to (1) develop, research and promote restoration-based hazardous fuel reduction treatments to reduce the risk of severe wildfires and improve the health of dry forest and woodland ecosystems in the interior West, (2) synthesize and adapt scientific findings from conventional research to implement restoration-based hazardous fuel reduction treatments on a landscape scale using an adaptive ecosystem management framework, (3) transfer to affected entities any scientific and interdisciplinary knowledge about restoration-based hazardous fuel reduction treatments, (4) assist affected entities with the design of adaptive management approaches (including monitoring) for the implementation of restoration-based hazardous fuel reduction treatments, and (5) provide peer-reviewed annual reports.

Question 24. Under the National Defense Authorization Act for 2013 (“NDAA”), Congress authorized the transfer of excess U.S. Air Force (USAF) aircraft to the Forest Service for wildfire fighting activities (Section 1090, P.L. 112-239). The legislation gives Forest Service the opportunity to recapitalize a portion of the government-owned fleet without the added cost of purchasing new aircraft. In March 2013, USAF identified the C-27J Spartan as a platform ideal for divestment. What steps is Forest Service taking to utilize the transfer authority in NDAA, and is the Forest Service working with DoD in the development of the USAF C-27J Divestment Plan which could be released as early as June?

Answer. The Department of Agriculture has sent a letter to the Secretary of Defense stating that the Forest Service would accept these aircraft and that they are acceptable for the firefighting mission. The Forest Service is in discussions with the Department of Defense regarding the divesture of the C-27Js. The Forest Service has a working group established to develop the needed contracts, establish program management, and work with the Department of Defense, the manufacturer, and other organizations necessary for C-27J transfer, conversion, and operation.

Question 25. How does the Forest Service's budget proposal support the Four Forest Restoration Initiative through the Collaborative Forest Landscape Restoration program?

Answer. The President's FY 2014 Budget requests \$39,851,000 for the Collaborative Forest Landscape Restoration Program (CFLRP). The proposed FY 2014 President's Budget will continue to support implementation of the 20 CFLRP projects selected in FY 2010 and FY 2012, which includes the Four Forest Restoration Initiative.

Question 26. What is the status of the Four Forest Restoration Initiative?

Answer. The Four Forest Restoration Initiative is located on the Apache-Sitgreaves, Coconino, Kaibab, and Tonto National Forests. In May 2012, the Forest Service signed the largest stewardship contract in its history. Under the contract, Pioneer Forest Products will thin 300,000 acres in the next 10 years. The Forest Service will receive about \$22 per acre, exchanging the value of the trees for the work. The first task order under that contract was issued in early April of 2013.

In addition, the project published a draft environmental impact statement (DEIS) on March 29, 2013. It proposes habitat enhancement, thinning, and prescribed burning on one million acres of the Kaibab and Coconino national forests in the next 20 years. The DEIS is currently under a 60-day public comment period.

